



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
COLLEGE OF BUSINESS AND ECONOMICS

**THE EFFECT OF STAKEHOLDER ENGAGEMENT ON PROJECT SUCCESS: IN
THE CASE OF ZEMEN BANK S.C.**

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**A PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR A
MASTER OF ARTS IN PROJECT MANAGEMENT**

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STATEMENT OF DECLARATION

I declare that the project work entitled “**The Effect of Stakeholder Engagement on Project Success: In The Case of Zemen Bank S.C.**” is my original work and all sources of material used for the work have been duly acknowledged.

Samrawit Abrham Tefera

STATEMENT OF CERTIFICATION

This is to certify that, this project work “**The Effect of Stakeholder Engagement on Project Success: In The Case of Zemen Bank S.C.**”, undertaken by **Samrawit Abrham Tefera** in partial fulfillment of the requirements for Master of Arts in Project Management at Addis Ababa University School of Commerce, is an original work and not submitted earlier for any Degree either at this university or any other university.

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ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE PROJECT MANAGEMENT PROGRAM

The Effect of Stakeholder Engagement on Project Success: In The Case of Zemen Bank S.C

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ACRONYMS AND ABBREVIATIONS

GM - Grievance management

ID - Information disclosure

PMBOK- Project management body of knowledge

PS- Project success

SC - Stakeholder consultation

S.C.- Share Company

SI - Stakeholder identification

ABSTRACT

Managing the demands and interests of stakeholders is critical to the success of a project. Stakeholder engagement is a current issue worldwide in order to ensure individuals full inclusion on a project. This study aims to examine the effect of stakeholder engagement on project success. The study used a descriptive and explanatory research design. Close ended five-point Likert scale questionnaire was used for data collection and the data was collected from 58 individuals working in construction projects. Multiple regression was applied for data analysis. According to the results of the study, stakeholder engagement variables which include stakeholder identification, information disclosure, stakeholder consultation, and, grievance management have significant and positive effects on project success. Based on the results, It is recommended that project managers should be able to improve stakeholders engagement by developing clear strategy and creating opportunities for opinions and feedbacks.

Keywords: *Stakeholder, Stakeholder engagement, Project, Project success*

CHAPTER ONE

1 INTRODUCTION

1.1 Background of the Study

Both in the public and commercial sectors of the economy, the number of project-based organizations is rising quickly. Every project manager hopes for a successful project. From the 1960s through the 1980s, meeting deadlines and staying under budget were the top concerns for project managers; however, nowadays, stakeholder engagement is the key area of study interest (Yasir & Farooq, 2019). Ika et al., (2020) define a stakeholder as a more general term that refers to those who have the power to make or break a project. Interaction between stakeholders enables a company's operational operations and aids in assuring project success (Sankaran et al., 2021). For a firm to be valued at its highest level, it is essential to include and satisfy its major stakeholders (Picciotto, 2020). Thus, stakeholder satisfaction plays a crucial role in project success and organizational performance (Badewi, 2016; Samara et al., 2021; Whyte et al., 2023)

Due to the many phases and nature of construction projects from project inception through the handover of completed construction, stakeholders are impacted in both good and negative ways (Shaukat et al., 2022). The conflict between stakeholders during the building phase frequently results in issues such as reworks, disagreements, cost overruns, poor communication, and supply chain failure. Project members' varying priorities and aims lead to conflicting interests (Rowlinson& Cheung, 2008). These disputes are frequently connected and harm the project management procedure (Turfboer& Silvius, 2021).ToukolaandAhola (2022) recommend that the construction sector interacts with stakeholders to learn about their needs, while Belay et al., (2021) assert that it is essential to include stakeholder input into such projects. According to research by Woldesenbet (2020), the current construction project in Addis Ababa provides proof that stakeholders were unable to agree throughout the involvement process in the project's early phases (such as the planning stage). He said that as the project moved forward, this may raise the possibility of failure or perhaps result in conflict between locals and decision-makers.

Numerous issues might arise during the construction phase of a building project, causing needless delays and making it difficult to complete the project by the deadline (Alsulaiti & Kerbach, 2020). People frequently point the finger at one party the contractor, consultant, or

client instead of taking into account all of the parties engaged in the specific project (Yap et al., 2019; Santoso & Gallage, 2020). Therefore, detailed communication of the issues discovered throughout the construction process to each stakeholder is necessary to guarantee that public building construction projects may continue without delay.

As a result of the above-listed reasons, it is necessary to carry out stakeholder engagement from the inception stage to the completion of the project to minimize problems of protest and delays in the coming construction projects. Therefore, it is necessary to examine the current and past practice of stakeholder engagement in Zemen Bank headquarter building project and to investigate the effect of stakeholder engagement on projects success.

1.2 Statement of the Problem

Stakeholder engagement is crucial to the success of project success and development anywhere in the globe. Because stakeholders are essential to project operations, projects that do not fully engage them in important decision-making are doomed to fail (Zhou et al., 2021; Saad et al., 2022). Smith et al. (2021) emphasized that a major challenge in the success of projects in terms of the schedule of project delivery, budget line, and quality of the project is management's potential lack of understanding of the various interest groups, the drivers of their actions, and their influence during the project lifecycle. This is because some of the project stakeholders may not be satisfied. This suggests that stakeholders may not agree on some important project milestones and activities, which might impair project delivery by causing the project to run behind time, exceed its initial architectural design, and exceed its budget (Dallasega et al., 2021).

Each stakeholder will have a varied impact on a building project, necessitating a customized approach to each one. Understanding the idea that stakeholders might utilize to engage one another in the building is one of the several approaches. Relationship building and maintenance amongst stakeholders are key components of engagement (Stocker et al., 2020). Businesses that actively engage with their stakeholders have a higher chance of success and possible benefits. Strategies for involving stakeholders can be developed using overarching and operational methodologies. According to Torelli et al., (2020), while choosing a strategy for stakeholder interactions, three factors must be taken into account. The first is having a strong enough feeling of urgency to be ready to devote time and energy to the task. The second is that stakeholder ties provide promising future potential. The next step is managing

stakeholder participation, which requires appropriate resources and expertise. According to Giacomarra et al. (2017) and Heras-Saizarbitoria et al., (2022), managers ought to represent stakeholders. According to their research, firms must build methods for interacting with stakeholders and comprehending their wants and concerns if they want to acquire precise information about the expectations of stakeholders. Stakeholder involvement may be achieved in a variety of ways, including through customer, employee, scope, and process engagement (Heckert et al., 2021; Bellucci et al., 2019). Finally, it was suggested that putting a strong emphasis on stakeholder management and participation is essential for coordinating participants' perspectives on project success.

According to Civera et al., (2019), empowerment may be viewed as a successful relationship management process that negotiates stakeholders' needs into concrete results and fosters power in building projects. Sense of significance, competence, effect, and self-determination are all manifestations of psychological empowerment (Dietsch et al., 2021). Intuitive motivation, the ability to perform, the opportunity to perform, task behaviors, and contextual behaviors can all be used to describe psychological empowerment (Eaton et al., 2021). There is a clear and frequently instantaneous link between labor and rewards thanks to intrinsic motivation, which refers to the internal benefits one experiences while carrying out a task (Bouchon&Prideaux, 2019).

It is believed that most Ethiopian building projects fail to achieve their goals and objectives within their time and plan because of poor stakeholder relationship management (Mengistu et al., 2023).Through a study of the literature, this research seeks to investigate the effect of stakeholder engagement on project success in building projects by taking Zemen Bank headquarters building project.

1.3 Research Question

To meet the objective of the research, the following research questions were forwarded

1. How does stakeholder identification affect project success?
2. How does information disclosure affect project success?
3. How does stakeholder consultation affect project success?
4. How does grievance Management affect project success?

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The general Objective of this study is to test the effect of Stakeholder Engagement on Project Success.

1.4.2 Specific Objectives of the Study

The specific objectives of this study are

1. To test the effect of stakeholder identification on project success.
2. To examine the effect of information disclosure on project success.
3. To examine the effect of stakeholder consultation on project success.
4. To test the effect of grievance Management on project success.

1.5 Research Gap

So far, the effects of stakeholder engagement on project success have been studied in a variety of project contexts and countries. However, to the best of the researcher's knowledge, no research into the relationship between the two variables (stakeholder engagement and project success) has been conducted in the banking industry of Ethiopia. As a result, this study fills this gap by revealing the relationship between the two variables in the banking industry of Ethiopia.

1.6 Significance of the Study

Zemen Bank S.C, China WU Yi CO.LTD, other financial institutions, the project office and construction office of the Addis Ababa municipal government, researchers, and academicians are just a few of the stakeholders that might benefit from this study.

The findings of this study will be beneficial to Zemen Bank in helping to contextualize the elements that affect the quality of its project implementation and in pointing them in the direction of suitable mitigation methods to decrease their impact. Taking this conclusion into consideration, stakeholders will create their long-term planning and mitigation strategy.

It might be helpful for other financial institutions in terms of policy recommendations and provide suggestions for potential aspects that could aid in the project's execution. Moreover, the findings of this study contribute to expanding the body of knowledge in the literature.

1.7 Scope of the Study

The data for this study was collected from Zemen Bank and its stakeholders (both internal and external) involved in the construction of the headquarters building. Conceptually the term stakeholder engagement is wide and can be explained by a variety of constructs. However, for this study, only four constructs explaining stakeholder engagement were considered relevant and included.

1.8 Limitations of the Study

Due to the fact the data was gathered from stakeholders involved in Zemen Bank's construction project, the conclusion's applicability to other projects of the bank is restricted. If the study had included other banks and sectors, the generalizability would have been much stronger. Furthermore, the study is limited to quantitative research, which has methodological limitations. It would be more beneficial if supported by a qualitative study.

1.9 Organization of the Study

This research paper is prepared in five consequential chapters. The first section deals with the introduction part of the research comprising the background of the study, a statement of the problem, the significance of the study, and the scope & limitations of the research. The second section focuses on the review of the literature associated with the topic of this research. The third section deals with the research methodology, design, approaches used throughout the data gathering, and analysis. The fourth section presents the overall outcome of the research. In the last chapter, section five encompasses the summary, conclusion, and recommendation part of the study.

CHAPTER TWO

2 REVIEW OF RELATED LITERATURE

2.1 Introduction

A stakeholder is a person who has a stake, whereas a stake is an interest or a part of an activity (Hult et al., 2011). Stakeholders, according to Hult et al., (2011), are people or organizations that profit from an organization. Stakeholders may further suffer injury or have their rights violated by an organization. Stakeholders fundamentally influence and are influenced by an organization and its operations. Stakeholders have the power to influence an organization's operations, objectives, growth, and even existence. Stakeholders are advantageous when they assist you in achieving your objectives, and they are adversarial when they disagree with your aim. Stakeholders effectively can threaten or benefit an organization (Roloff, 2008).

In the same way that stakeholders exist in other endeavors, stakeholders exist in building projects. According to Olander (2007), a construction project typically has a long list of stakeholders, including the facility owners and users, project managers, facilities managers, designers, shareholders, legal authorities, employees, subcontractors, suppliers, process and service providers, competitors, banks, insurance companies, media, community representatives, neighbors, the general public, government establishments, visitors, customers, regional development agencies, and the environment. At some point, each of these would have an impact on how a project developed. Some people use their influence more frequently than others. The construction business should be able to manage its stakeholders if there are a variety of stakeholders involved in building projects (Olander, 2007).

2.2 Definition of Stakeholders

Stakeholders are people, without a question, but why do we use a term that is so specialized, encompasses so many ideas that there are hundreds of definitions for it in the literature, and is so difficult to translate directly into other languages? The definitions of this term may be thoroughly examined and their history studied to assist us solves a large portion of the riddle (Hollebeek et al., 2022). The term "stakeholder" first appeared in English at the start of the eighteenth century, referring to the person in charge of holding bettors' stakes: he held all bets

put on a game or race and was responsible for paying winners' winnings. Given that "having a stake" is synonymous with "having an interest" and that stakes (meaning "strong sticks") can be driven into the ground to mark a property or to serve as a component of a fence that establishes an estate's boundaries, the first stakeholder was, therefore, a holder of interests, and this is still one of the most common meanings of the term today.

Stakeholder is a term that is used to describe a variety of people and organizations. According to Olander (2007), a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives." The word "stakeholder" refers to individuals, groups, or organizations that managers, supervisors, and front-line personnel must in some way consider (Buhusayen et al., 2021). A stakeholder is "Any person or organization that is actively involved in a project, or whose interests may be positively or negatively affected by the execution or completion of the project (Guillaume & Loufrani-Fedida, 2023). Stakeholders are "individuals or organizations that are either affected by or affect the deliverables or outputs of a specific organization ((Buhusayen et al., 2021).

2.3 Construction Project Stakeholders

Stakeholders must be involved in the design process so that the values relevant to each construction project can be identified and understood, preventing assumptions about stakeholders' needs or expectations (Ingle & Mahesh, 2022). This is because stakeholders need to be involved from the very beginning of every construction project (Lin et al., 2019). To ensure that the project is sensitive to and responsive to the local requirements and conditions, the focus of stakeholder engagement should be on identifying people who will be impacted (or likely to be affected) by the project and actively including them in its design and implementation (Yu et al., 2019).

With some projects, there may be several groups of stakeholders specifically involved in construction and their interests. However, Leung & Olomolaiye (2010) divided stakeholders in building projects into the following five primary categories and interests:

Clients: both governmental and private clients are among them. The project must complement the organization's plan, resources must be used efficiently and economically, funding must be provided, and the building product must be acquired effectively and profitably are all interests of the public clients. The clients' interests include ensuring that public funds are used properly, allocating funds to the project, serving the public interest per

the organization's goals, ensuring that it can be financed and will generate a return on investment, and ensuring that the construction product is successfully procured.

Consultants (project professionals): These can either be internal or external to the company or include an architect, a quantity surveyor, an engineer, a construction manager, and other consultants pertinent to the project's requirements. Their main concern is performing their many professional obligations to their employers.

Contractors: These typically include the principal and supporting contractors, as well as their staff, and suppliers. The main contractor's principal objective is to effectively complete the work as planned and carry out any additional tasks outlined in the contracts that have been given to them. Depending on the terms and circumstances of the contract, the subcontractors complete the job that has been allocated by the customer or the principal contractor. The suppliers' main goal is to provide and install all supplies and equipment as requested of them, much like the subcontractor. The fundamental goal of the contractors is to complete the project, receive payment, and move on to the next one.

External public parties: These include institutional forces/nationalized industries (professional bodies), government agencies, consultative groups including district boards, labor unions (employers' associations), the general public, and the media. Government authorities ensure that the project complies with established laws and regulations; consultative bodies ensure that the project reflects the needs of the local communities; labor unions protect members' rights and have an influence over their behavior; the general public participates in the governance process directly or indirectly; the media informs the public and shapes their perception of the project; and institutional forcible ensure that the project complies with the law.

External private parties: Local citizens and adjacent communities, local landowners, archaeologists, environmentalists and conservationists, rival businesses, the media, and others are among these. Residents' main concern is how the project will affect their amenities and immediate surroundings. Landowners in the area are also concerned about how the project will affect their property values. Environmentalists are concerned about protecting the environment from pollution and other forms of deterioration. Competitors are trying to gain an advantage over one another by taking certain actions.

In conclusion, a wide range of stakeholders, some of whom may have conflicting interests throughout the project life cycle, are involved in building projects. Given the multiplicity of these interests, stakeholder management is essential for building projects.

2.4 Types of Stakeholders

There are two types of stakeholders in a project: internal and external. Internal stakeholders are those who contribute to funding or are members of the project coalition; external stakeholders are those who are significantly impacted by the project. While external stakeholder relationships have historically been somewhat viewed as a task for public officials via the rules and legislation that concern facility development, there has historically been a strong emphasis on internal stakeholder relationships such as procurement and site management in the construction industry (Savage et al., 1991).

Generally based on their stake in the project stakeholders can be classified in to:

Primary Stakeholders: are those members of the project team who have a duty to the project team under contract or by law, and who are in charge of managing and allocating resources per schedule, cost, and technical performance goals. A typical corporation's investors, workers, clients, and suppliers make up its main stakeholders. However, the idea has been broadened to encompass communities, governments, and trade groups as a result of the growing focus on corporate social responsibility. Primary stakeholders frequently have a significant role in preserving an organization's health. To continue operating and accomplishing their major objectives, almost all organizations work hard to please their key stakeholders. This is because key stakeholders have a direct influence over an organization's operations. Customers, investors, and other stakeholders such as staff depend on the business to efficiently address their requirements to keep their stake.

Secondary Stakeholders: are individuals who don't have a formal contractual connection to the project but may nevertheless be very interested in its progress (Vargas et al., 2022). Secondary stakeholders are those people, organizations, or other organizations that have an interest in how a company conducts its social business. Secondary stakeholders typically aren't actively involved in an organization's financial decisions. Secondary stakeholders are those who are not actively involved in a company's daily activities. They tend to be less active than major stakeholders. But that doesn't make them any less significant. Governmental organizations, local laws, activist groups, and other organizations that might

not have a direct connection to the business but have an interest in it all fall under the broad category of secondary stakeholder. They might be considered your target audience.

2.5 Critical Success Factors (CSFs) In Construction Project

Critical Success Factors are renowned as a tool for assessing an organization's success in pursuing its objective. CSF is becoming increasingly significant in building maintenance since it may pinpoint the root of a problem and enhance the system. Numerous factors affect maintenance management projects' performance. The five main categories used by the writers to group essential success aspects are leadership, culture, structure, roles and responsibilities, system infrastructure, and measurement. These five groups were based on the organization's goals. The experts assert that it is also crucial to pinpoint the limitations of the crucial success components. Critical success criteria and defense measures can be determined from knowledge of the restrictions. Knowing the restrictions will avoid anticipated work that might put the organization in greater danger. The elements of critical success factors in construction projects according to Banihashemi et al. (2017) are:

External Factors: External factors are those that have an influence on business but are outside of the management's control. They often don't depend on a company's performance, but they might have a direct impact on a company's existence or success. Since some of these external influences may be initiated by society, their impact may fluctuate over time in response to shifts in the general public's priorities, market fluctuations, and changes in government regulations (Li et al.,2019). The macro environment is charged with influencing external elements. At this level, economic, social, technological, legal, physical, political, natural ecological, and cultural aspects all have an impact on how well a building project performs. The sum of all economic elements, including taxes, competition, credit, interest rates, and inflation, is known as the economic environment. These elements affect how well building projects are carried out. The social environment, or the social circumstances in which people live and work, has a significant impact on how well construction projects are completed. Demographics, ethnic animosity, and religious, and societal ideals are other influences. Construction project stakeholders' needs and goals are directly influenced by culture (values, attitudes, and standards of behavior). Technologies have an impact on how well project processes operate and communicate participant needs (Afolabi et al.,2019).

Institutional factors: The macroeconomic environment is blamed for institutional aspects including building codes, product and service certification, standards, and building permits. The quantity of construction and building permit reviews is determined by a system of state and financial institutions, public agencies, and institutions. These elements have a significant impact on how well building projects turn out.

Internal factors: are those within the control of an organization's management. Such factors reflect the organization's present status and performance capability on a project.

Project Related Factors: Such elements as project value, size, kind, complexity, goals, risk, and others are included in this category. Project characteristics are crucial components that affect every project's success.

Project management/team member related factors: The success of building projects is also influenced by effective team selection. The key aspect of management factors is effective coordination among all parties (Li et al., 2019). Competence, experience, decision-making efficacy, motivation, technical aptitude, and personnel concerns fall under this category.

Client related factors: The success of construction projects depends on the client's experience, type (private or public), size, influence, ability to make timely decisions, clear and precise goals, risk attitude, and ability to participate in different phases of the project.

2.6 Stakeholder Engagement

Because stakeholder engagement is a process and a systems approach to business, it is transformational rather than just tactical (Leonidou et al., 2020). The main advantage of the stakeholder engagement process, according to PMBOK 5th (2013), is that it enables the project manager to boost support and decrease opposition from stakeholders, considerably enhancing the likelihood of project success. This assertion demonstrates the substantial correlation between stakeholder engagement processes utilized in a project and the performance of the project, both favorably and adversely.

Engagement needs to go through the same planning stages as other business projects, including sufficient analysis, planning, execution, reporting, assessment, and follow-up. An iterative approach should be used for stakeholder involvement to benefit from careful planning, detailed reporting, and the application of knowledge gained via proper assessment and monitoring (Stocker et al., 2020).

Engaging with stakeholders may help your business achieve a variety of goals, from safeguarding the organization's operating permit to learning about enhanced market or product performance. If done well, it may even result in the creation of brand-new goods and services. However, if an engagement process is badly managed, it may erode stakeholder interactions, leading to conflict and distrust as well as making it much more challenging to build effective relationships in the future (Hollebeek et al.,2022).

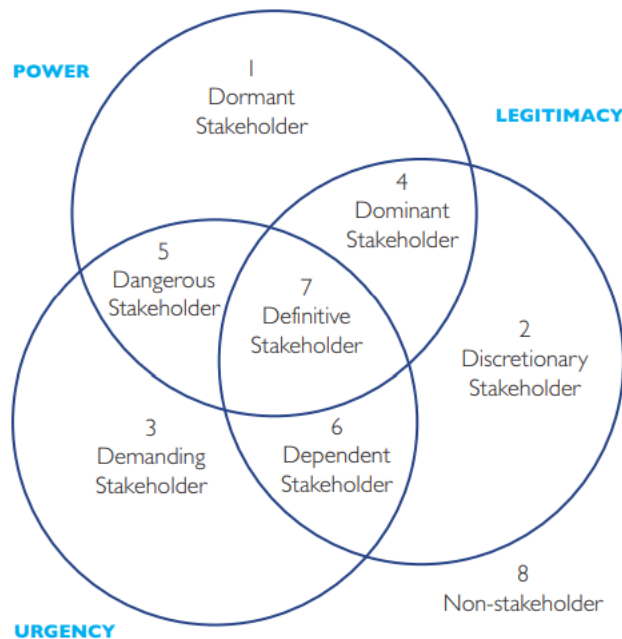
2.7 The Stakeholder Engagement Process

According to (Jeffery,2009) the stakeholder engagement process consists of seven steps:

Stag one: Planning: At this point, the organization must already reach an agreement on the reasons why it wants to pursue meaningful engagement; ideally, this is based on recognition of the tangible consequences of doing otherwise, such as weakened risk and opportunity management, rather than just a desire to manage communications more effectively. At this stage, you must decide what your organization's fundamental goals are as well as the problems you want to solve and the stakeholders you want to engage with first. These will, of course, rely on your organization's nature, your industry, your current goals, your business model, etc., as well as whether stakeholder interaction takes place at a local, global, or both levels. At each level, there may be differences in procedures, lines of responsibility, and priorities.

Stage Two: Understanding Stakeholders and their Wants and Needs: Stakeholder categorization or segmentation is the foundation of many stakeholder engagement strategies, such as the Mitchell, Ages, and Wood model is shown below.

Figure 2.1:Stakeholder typology based on three salience attributes



Source: (Mitchell et al.1997,as cited in Jeffery,2009)

Stage 3: Internal Preparedness and Alignment with Stakeholders: This stage acknowledges that when the interests and goals of your company and stakeholders can be linked, the greatest levels of success may be attained. This is not to imply that your company and its stakeholders will necessarily desire the same results, but if a shared interest can be found, it may be a vital tool for leveraging a solution to a problem that will satisfy both sides. Organizations should invest time and money in trying to identify any potential overlaps between themselves and stakeholders that might not be immediately apparent. This may offer a solution to an apparent "mismatch" of interests and result in a win-win situation. The "entrance into engagement" and "setting the right tone" for the entire process may be more effective if this sort of study can be proactively carried out before consultation. This might even help to prevent or lessen instances of failed engagements where both or one side feels there is no sense in continuing a conversation because the perceived "gap" between the parties is unbridgeable.

Stage 4: Building Trust: Building trust is a crucial step in creating meaningful interaction, which is why it has its stage. Since the initial engagement is more likely to be successful, appropriate and thorough planning and preparation, as indicated in phases 1 to 3, will go a long way to helping to aid in creating trust. However, other issues will also need to be

addressed and controlled since they may tend to foster a lack of trust, such as relational inequality, differences in the authority of individuals or groups throughout the engagement process, challenges related to language and culture, working methods, etc.

Stage 5: Consultation: Following a lengthy period of preparation, as described in the earlier phases, consultation should take place and display the traits listed below. Any consultation must include:

Representative: To ensure that the organization can forge the most meaningful relationships possible, people engaging in the consultation process must be as representative of the broad spectrum of stakeholders affected by the organization's actions as is practical.

Responsive: Providing information, analysis, and proposals that directly address stakeholder expectations and interests that have already been identified during the preparation phases is referred to as being responsive; this means being stakeholder driven and focused rather than reacting to internal business objectives and activities or being shaped by your organization's organizational behavior.

Context-focused: making contextualized information and analysis available so that stakeholders can get a clear, comprehensive picture of organizational motivations, culture, and behavior and judge the applicability of each factor to the action that the organization ultimately takes.

Complete: by offering relevant background information together with the historical or analytical foundation to specific decisions, allowing stakeholders to reach a "fair and reasonable" judgment about why the organization chose a certain course of action in response to a problem. This information will be gathered and made available using an effective internal knowledge management system.

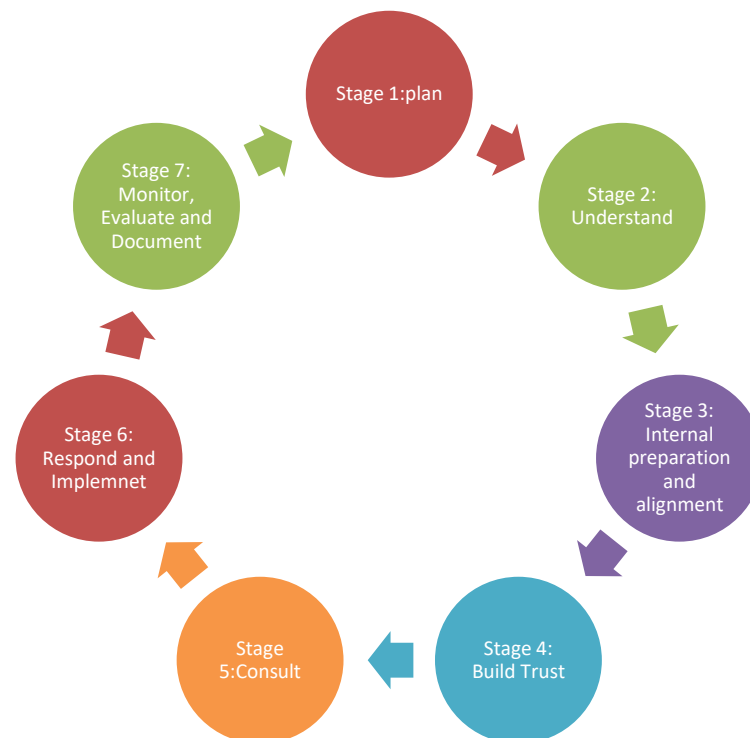
Realistic: In the 'negotiating' process with stakeholders, there could be an inherent trade-off of expectations, demands, and ambitions, where all sides acknowledge that they might not ultimately achieve what they had initially set out to do. However, this trade-off itself may be very beneficial to the broader engagement process, strengthening trust as each party displays their ability to be reasonable and realistic before making a large commitment of time and money.

Stage 6: Respond and Implement: Following consultations, stakeholders will want to know which of their recommendations have been taken into consideration and what steps will be

taken to address their concerns. Priority issues for your organization or stakeholders should be given special attention. After determining the best course of action for your company given the identified problem(s), you should develop action plans while considering how likely it is that different stakeholders would react to each proposal. It is important to handle disagreements with great care and sensitivity because how an organization reacts to stakeholders—or is seen to respond—especially when there is a difference of opinion, may have a substantial impact on the organization's reputation and performance. Even if not all stakeholder demands are satisfied, the sense of fairness in the process is essential, as are timely and transparent responses.

Stage 7: Monitoring, Evaluating, and Documenting: It is crucial to maintain knowledge and information carefully after the engagement phase. To ensure effective monitoring and evaluation, organizations should use their knowledge and experience in knowledge management systems as well as in evaluating outputs and outcomes obtained from other business operations. Various international standards can be used as a reference point. Important facets of this function include putting lessons learned into practice and comprehending their consequences for future participation.

Figure 2.2: Stages in a meaningful stakeholder engagement process



Source: (Sequeira, Debra, et al. 2007, as cited in Jeffery, 2009)

2.8 Project Stakeholder Identification

There are several stakeholders at various stages of a project's life cycle, and stakeholder identification is a continuous activity. Tools and skills that enable projects to identify stakeholders are essential because stakeholders are significant assets in offering knowledge and support to achieve the outcomes of the projects. Numerous individuals, organizations, and groups are impacted by projects; hence, no one stakeholder may claim to have full control over the project. Project management requires balancing a variety of stakeholders' responsibilities and expectations. The project team may better understand the interests of each stakeholder and any possible conflicts that could endanger the project by doing a stakeholder analysis (Gemino et al., 2021).

The identification of stakeholders early in the project, understanding and analysis of their different and conflicting expectations, and management of those expectations throughout the project are essential for its success. Stakeholders can have an impact on the project's concept, modifications, execution, deliverables, and success in the long run. Stakeholder identification is a continuous activity (Zaman et al., 2019). To create a stakeholder register that identifies the project stakeholders and provides pertinent information about them, it is necessary to first identify the stakeholders. Then, data or information on the stakeholders must be collected, analyzed, and finally presented. Types of stakeholders are often categorized as internal stakeholders, which typically comprise organizations like management, employees, and firm shareholders. Customers, suppliers, rivals, governments, and international and national organizations are examples of external stakeholders (Xue et al., 2020).

2.9 Information Disclosure

Project success is frequently built on effective communication. The strategy, goals, and budget of a project may be shared among team members and stakeholders through effective communication. Additionally, it may help everyone participating in the project understand their responsibilities, which can increase their likelihood of supporting the initiative (Oke, 2022).

According to Zaman et al. (2022), every project team must have methods for informing those who need to know about the project's facts and specifics. These mechanisms shouldn't seem haphazard. The project team will be better able to ensure effective communication across all groups over the life of the project by establishing communication patterns from the project's

inception. Regular meetings are a typical tool used to accomplish this. Meetings regularly, regardless of their duration or frequency, create a reliable system for updating and including all participants. However, rather than status updates, which are fatal to participation, meetings should concentrate on action items or choices that need to be taken (Zaman et al., 2022).

A key strategy for project managers and other stakeholders that are directly or indirectly involved in the project is effective communication. According to (Zaman et al., 2022; Li, Yin, & Zhang, 2022; Sarpin et al., 2021) efficient communication is necessary to ensure that the appropriate information is transferred between project managers and the pertinent internal or external stakeholders. Similarly to this, Komar et al., (2020) emphasize the need of having excellent communication channels to ensure efficient information flow among project teams. However, it has been argued that clear communication is necessary to ensure the intended information is understood and the desired response is obtained, particularly in complex projects like renewable energy projects (Turner & Gilbert, 2023)

In conclusion, remember those active communication techniques, such as in-person meetings, video conferences, phone conversations, and presentations, are often more interesting than passive ones, like podcasts, e-mails, blogs, and project newsletters. Passive communication techniques are more likely to be interrupted and make it difficult for the recipient to concentrate on the subject at hand. However, the benefit of passive approaches is that they may be made available at any time, making them more flexible about a person's schedule. Therefore, passive communication techniques have a role in the project's communication strategy, but they should only be employed when necessary and with stakeholder groups that are also likely to utilize them for communication outside of the project.

2.10 Stakeholder Consultation

Stakeholder consultation is becoming an increasingly important component of the planning stage for initiatives that have social, economic, and environmental implications. Both the firm initiating the project and the individuals who will be impacted by it benefit from developing an awareness of how initiatives will influence a wide variety of stakeholders. Stakeholder opinions and worries can be taken into account when identifying and reducing risks that could otherwise cause a project to stall or even fail. The consultation process offers stakeholders the chance to learn about local settings that may not be clear to the enterprise,

raise issues and concerns, and contribute to the project's goals and outcomes (Chipulu et al.,2019).

Consultations with stakeholders can be conducted in a variety of "right" ways. Each consulting process will be context-specific and require a comprehensive plan because every circumstance will be unique. A poorly thought-out consultation process may have unintended consequences since it may erode trust between stakeholders and the business. The process must thus be thoroughly planned out in advance, and groundwork must be done to identify the process' requirements, objectives, and key players. In particular, be certain that any resources you decide to employ are completely available to all of the stakeholders you intend to engage; an online poll is of little value to a town lacking reliable wifi infrastructure (Wojewnik-Filipkowska et al., 2021)

A project's potential opponents can be identified by organizations through effective stakeholder engagement. It is possible to better comprehend the motivations, influences, and behavior of individuals who are opposed to the project by knowing who supports and opposes it. Continual dialogue is a successful strategy for winning over project stakeholders. Asking pertinent individuals for their opinions and how they feel to get important information and ideas is known as a continuous consultation (Xue et al., 2020) In their study, Gemino et al. (2021) emphasized the need for ongoing communication between the project team and other stakeholders to provide a thorough and consistent stakeholder analysis, which would ultimately help the project be completed.

2.11 Grievance Management

Grievances are an inevitable part of undertakings that influence the environment and society. The way a business reacts (or is perceived to be reacting) to these complaints is crucial and can have a big impact on how well its firm performs. A grievance procedure needs to be scaled to the project's degree of risks and repercussions. It should incorporate the numerous engagement components covered in the earlier sections and stem from a company's larger process of stakeholder engagement and business integrity principles. In reality, having a strong overall community engagement approach in place and regularly granting access to information may significantly aid in preventing complaints from emerging in the first place or from intensifying to a point where they can jeopardize corporate success (Rasool et al.,2022)

Grievance mechanisms efficiently signal strategic and/or delicate concerns on the ground while also allowing a range of stakeholders to voice grievances. Without them, attempts to manage risk and comply with regulations are equivalent to searching for a needle in a haystack. Companies cannot go wrong by concentrating on compliance and good risk management in the face of extremely variable conditions and cost-cutting directives. Grievance procedures are more important than ever for giving firms eyes and ears across increasingly complicated supply chains.

IFC's approach to obligations linked to community participation by clients under the Policy and Performance Standards on Social and Environmental Sustainability includes grievance procedures in significant measure. The client will be required to set up a grievance mechanism to receive and facilitate resolution of the affected communities' concerns and complaints about the client's environmental and social performance where it is anticipated that a new project or ongoing business operations will involve ongoing risk and adverse impacts on surrounding communities. The grievance mechanism should be scaled to the risks and negative effects of the project; resolve complaints quickly, employ a clear and transparent procedure that is suitable for all groups within the affected communities and easily accessible, and do so at no expense to the communities (Thounaojam & Laishram, 2022).

2.12 Project Success

Project success is one of the most difficult things to do, mostly due to the dynamic and distinctive character of projects (Thounaojam & Laishram, 2022). The measuring criteria for project success can occasionally be expanded as needed, and various researchers may also employ measurement criteria other than the iron triangle. The six factors that are most commonly used to gauge the performance of building projects are listed by (He et al., 2019).

The degree to which a project's aims have been achieved may be gauged by its success, which is often measured against a set of guidelines and criteria. Scholars contrast between a holistic approach to project success and the conventional triple constraint method in the literature (Ahmed et al., 2022). Success in a triple dimension, sometimes known as the "iron triangle," is determined by whether a project is completed on schedule, within budget, and per its scope. Shafi et al. (2021) utilized this constrained concept of success to characterize the accomplishment of project management. The iron triangle (time, money, and scope),

advantages to the organization, and customer satisfaction are all included in a comprehensive approach to project success (Shafi et al, 2021).

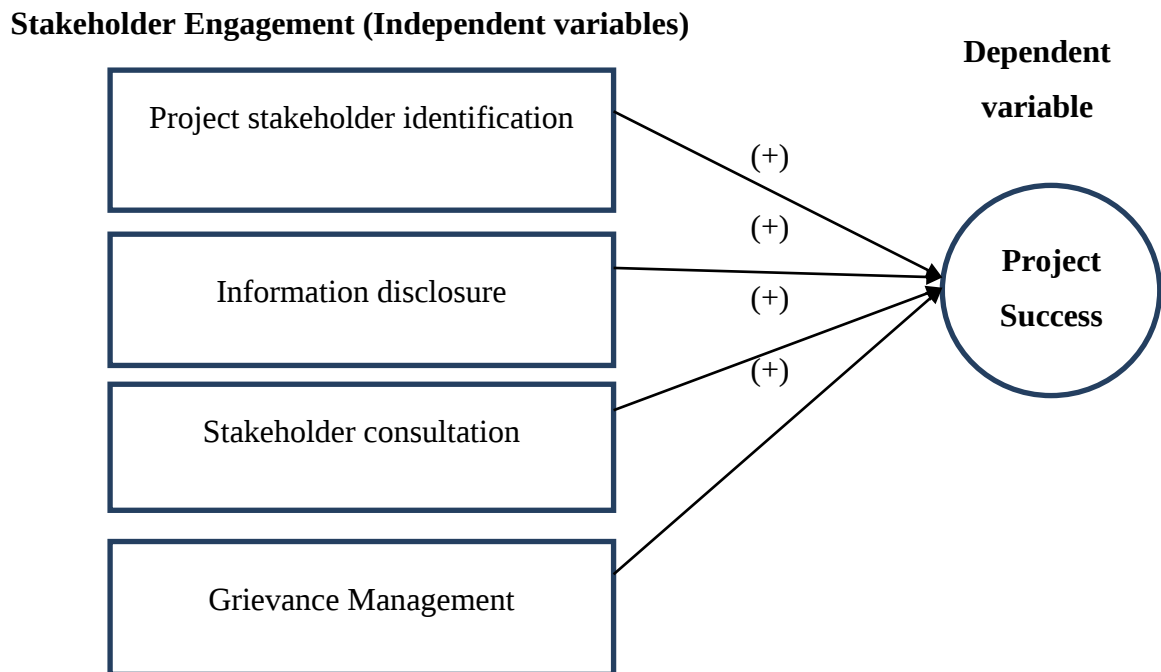
The management accounting literature, according to Luo et al. (2020), shows that private sector performance measurement frameworks created in the last 20 years have sought to increase organizational accountability by connecting strategy and performance to multiple stakeholder perspectives. Understanding stakeholders is the first stage of stakeholder engagement and is necessary to comprehend the impact of stakeholder engagement on project performance. Stakeholders can impact the link between a company's financial success and corporate social responsibility by acting as a mediator.

According to Zid et al. (2020), external stakeholder engagement had a significant and strong relationship with the success of project portfolio management, and with moderation, it partially moderated the project portfolio management. If done properly, stakeholder engagement practice goes far beyond project performance. Khalife & Hamzeh(2020) outline the individual phases for effective stakeholder involvement that a project team should employ. The approach offers six essential elements. These include: identifying all significant stakeholders, connecting stakeholders to various sustainability-related aims, prioritizing stakeholders, managing stakeholders, evaluating stakeholders' performance, and translating targets into actions. This method enables the involvement of a fully integrated stakeholder team throughout the project life cycle.

2.13 Conceptual Framework

The purpose of this study is to examine the effect of stakeholder engagement on project success. The independent variables in this study are stakeholder identification, effective communication, stakeholder consultation, and grievance management. The dependent variable is project success. To better understand the relationship between stakeholder engagement and project success a conceptual framework has been developed that illustrates the variables involved in this study.

Figure 2.3: Conceptual framework of the study



Source: Own-developed

Based on the discussions in the preceding sections of the literature review, the following hypotheses were forwarded:

H1: The effect of stakeholder identification on project success is significant and positive.

H2: The effect of information disclosure on project success is significant and positive.

H3: The effect of stakeholder consultation on project success is significant and positive.

H4: The effect of grievance management on project success is significant and positive.

CHAPTER THREE

3 RESEARCH METHODOLOGY

In this chapter, the research methodology is presented. The research design and approach, sampling technique, data sources and method of data collection, data presentation and analysis are all presented in the subsections of this section.

3.1 Research Design and Approach

Descriptive research design was used to provide relevant information about topic of study through tables, charts and summary calculations such as mean and standard deviation, while explanatory research design (correlation and regression) was used to assess the effect of stakeholder engagement on project success in the case of Zemen Bank S. C.

This study used a quantitative research approach in which descriptive (mean and standard deviation) and inferential (correlation and regression) statistics were used to analyze the data.

3.2 Sampling Technique and Target Population

3.2.1 Sampling Technique

According to (Parsons, 2014), in stratified sampling, the elements that make up the target population are separated into distinct categories or strata, and within each stratum, the elements are related to one another in terms of some important criteria. The researcher used stratified sampling when selecting the respondents to be included from the stakeholder group in the sample, which some part of the population has direct responsibility for the situation to be studied.

3.2.2 Target Population

The researcher took personnel or representatives that are directly related to the stakeholder engagement practice of the project into three strata, which include the client, consultant, and contractor. The target population for this study was 66 individuals. The estimated numbers of staff were all individuals from the three strata which consist of the client, consultant, and contractor. As a result, 34 respondents from Zemen Bank S.C (client), 10 respondents from Jdaw Consulting Architects and Engineers (consultant), and 22 respondents from China Wu Yi. Ltd (contractor), in total 66 respondents were chosen to participate in the data collection.

3.3 Data Source and Methods of Data Collection

The primary source of data was used to meet the specific research need and required specialized data collection procedures. Primary data was obtained from Zemen Bank S.C. headquarter building project stakeholders using a questionnaire. The researcher obtained primary data by distributing five-point Likert scale close-ended questionnaires to the target respondents.

3.4 Validity and Reliability of the Instruments

3.4.1 Validity

In this study, the validity of the instruments was established by using questionnaires that were standard design, limiting the questions to the conceptualized variables, and using questionnaires that were confirmed by the advisor.

3.4.2 Reliability

According to Gliem and Gliem(2003), the scale's items have a higher level of internal consistency when Cronbach's alpha coefficient is close to 1.

The internal dependability of the findings was attempted to be strengthened by employing Cronbach's alpha for the questionnaires.

Table 3.1: Reliability

Variables	Chronbach'sAlpha	No. of Items
Stakeholder Identification	.926	8
Information Disclosure	.864	6
Stakeholder Consultation	.770	4
Grievance Management	.844	4
Project Success	.886	4

The Cronbach's alpha value for each question and the complete survey is displayed in the above Table 3.1. Cronbach's alpha values for each field range from .770 to.926. For the

complete instrument, all the values are close to 1.0. The values for the items are therefore acceptable.

3.5 Method of Data Presentation and Analysis

The data was presented in tables and graphs. Descriptive statistics (frequency, percentage, mean and standard deviation) and inferential statistics (correlation and regression) were used.

3.6 Ethical Consideration

Any research project must assure ethical consideration to maintain the accuracy and integrity of the results. Putting this into consideration, this study took research ethics into account when creating and using data collection methods and techniques to prevent any destruction or violations of ethical behavior. Informed permission, voluntary involvement, secrecy of applications, and anonymity of applicants were all considered ethical factors.

CHAPTER FOUR

4 DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter provides a detailed description and analysis of the primary data collected from the targeted respondents. As a result, the data was analyzed using statistical approaches such as mean and standard deviation. Tables and graphs were used to present some of the data. Finally, correlation, inferential statistics, and multiple-regression were used to examine the relationship between the variables.

4.2 Response Rate

The structured questionnaires were handed out to 66 respondents, 58 of whom responded and returned the questionnaires on time. Based on this, the researcher believed that the respondents who filled out the questionnaire were enough to address and answer the study's specific objectives because they represented 87.8% of the total expected respondents.

4.3 Demographic Profile of Respondents

To characterize the sample and provide readers with a better understanding of the results, a demographic profile is provided in this subsection. The demographic study looks at respondents' background data, including their gender, age, education level, work experience, and position.

Table 4.1: Demographic characteristics of respondents

Demographics	Category	Frequency	Percentage (%)
Gender of Respondents	Male	44	75.9
	Female	14	24.1
	Total	58	100.0
Age of Respondents	20-30	23	39.7
	31-40	32	55.2
	41-50	3	5.2
	Total	58	100.0
Educational level of Respondents	Bachelor	51	87.9
	Masters	7	12.1
	Total	58	100.0
Work position of Respondents	Manager	4	6.9
	Supervisor	15	25.9
	Team member	39	67.2
	Total	58	100.0
Work experience of Respondents	1-3 years	3	5.2
	3-5 years	5	8.6
	Above 5 years	50	86.2
	Total	58	100.0

As per Table 4.1, the results illustrated that male respondents are more in number than female respondents. As was shown 75.9% of the total respondents are male while 24.1% of respondents are female. In terms of age range 20-30 years consists 39.7% of the total sample size, and 55.2% consists of those whose age is 31-40. Those respondents included in the age category of 41-50 are about 5.2%. Here it can be observed that most of the respondents lay in the age range of 31-40 years 55.2%.

The researcher provided a range of educational levels and, the majority of respondents are bachelor's degree holders with a percentage of 87.9%. The remaining 12.1% have Master's degree.

The respondents were asked about their position at work. 86.2% of respondents are team members, and 25.9% and 6.9% of the respondents are supervisors and managers respectively.

Regarding the work experience of respondents, 86.2% have work experience above 5 years. The remaining respondents with work experience of 1-3 years and 3-5 years consisted of 5.2% and 8.6% of the respondents.

4.4 Descriptive Statistics of Variables

Table 4.2: Results of Descriptive Statistics

Descriptive Statistics			
	Mean	Std. Deviation	N
Stakeholder Identification	3.4935	.75271	58
Information Disclosure	3.4454	.71559	58
Stakeholder Consultation	3.4267	.60155	58
Grievance Management	3.3966	.78225	58
Project Success	3.4397	.92872	58

4.4.1 Stakeholder Identification

According to the result in Table 4.2, stakeholder identification has a mean value of 3.4935 (SD .75271) implying that the organization has above average mean. Therefore, the organization has a good practice of stakeholder engagement through identifying stakeholders and identifying areas of interest of stakeholders in executing the project, which may have a positive contribution to its project's success.

4.4.2 Information Disclosure

As per table 4.2, information disclosure has a mean value of 3.4454 (SD .71559) which is above average indicating that respondents agreed there is a good practice of information disclosure by maintaining good and frequent communication and proper management of information, which may lead to the successful completion of the project.

4.4.3 Stakeholder Consultation

According to Table 4.2, stakeholder consultation has a mean value of 3.4267 (SD .60455) implying that stakeholder consultation is practiced above average through informed participation from stakeholders and consulting stakeholders in the project from introduction to implementation of the project. Therefore, it may have a positive effect on the success of the project.

4.4.4 Grievance Management

As per the result of table 4.2, grievance management has a mean value of 3.3966 (SD .78225) which implies that respondents agreed that there is above average practice of grievance management through planning the grievance management practice and bringing in third parties where needed. As a result, this may have a positive contribution to the success of the project.

4.4.5 Project Success

According to Table 4.2, project success has a mean value of 3.497 (SD .92872), indicating the project has succeeded above average.

Therefore, all the mean values were above 3, for a five-point Likert scale it shows that the respondents generally agreed stakeholder identification, information disclosure, stakeholder consultation, and grievance management were practiced and the project was successful.

4.5 Inferential Analysis

4.5.1 Pearson's Correlation Coefficient

The study's dependent and independent variables were compared using correlation analysis to determine and comprehend the nature of their relationship.

Table 4.3: Pearson's Correlation Coefficient

	SI	ID	SC	GM	PS
SI Pearson Correlation	—				
ID Pearson Correlation	.654**	—			
SC Pearson Correlation	.736**	.670**	—		
GM Pearson Correlation	.867**	.738**	.750**	—	
PS Pearson Correlation	.913**	.765**	.814**	.903**	—

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

Based on the result of Table 4.3, the correlation coefficient for stakeholder identification and project success was found to be positive and significant ($r=.913$, $p<0.000$). This implies that a change in one of the variables will change the other positively.

The result of Table 4.3, has also shown a correlation between the variables information disclosure and project success, Based on the statistical information, the value is ($r=.765$, $p<0.000$). The result showed a positive and significant relationship between the two variables, in which a change in one variable leads to a change in the other positively.

As per Table 4.3, stakeholder consultation has a value of $r=.814$ and its $p<0.000$. The result illustrated that stakeholder consultation and project success have a positive and significant relation, implying that a change in one variable leads to a change in the other positively.

The correlation value for grievance management in Table 4.3, is ($r=0.903$ and $p<0.000$) which indicates that there is a positive and significant relationship between grievance management and project success.

In general, the variables, namely stakeholder identification, information disclosure, stakeholder consultation, and grievance management were statistically significant.

4.6 Multiple Linear Regression Analysis

Two sets of variables, project success as the dependent variable and stakeholder engagement (stakeholder identification, information disclosure, stakeholder consultation, and grievance management) as independent make up the equation of multiple regressions used in this study. Regression analysis is used in this study primarily to test the significant relationship between the variables. In doing so, preliminary tests such as multicollinearity and normality were conducted.

4.6.1 Multicollinearity Test

A collinearity diagnostic test was performed to evaluate whether or not there was a multicollinearity issue. As can be seen from Table 4.4, the tolerance level of the independent variables ranges from 0.19-0.424 and the VIF value of all the independent variables is less than 10, this confirms the absence of strong multi-co linearity.

Table 4.4: Multicollinearity Test

Co linearity Statistics		
	Tolerance	VIF
Stakeholder Identification	.232	4.314
Information Disclosure	.424	2.357
Stakeholder Consultation	.380	2.630
Grievance Management	.190	5.266

4.6.2 Normality Test

The figure shows the relationship between the dependent and independent variables. In the normal probability plot the closer the dots are to the line the higher the distribution is normal. The bell-shaped histogram shows a normal distribution where most of the values are near the mean. As a result, the figure shows normal distribution, which meets the requirements to run regression.

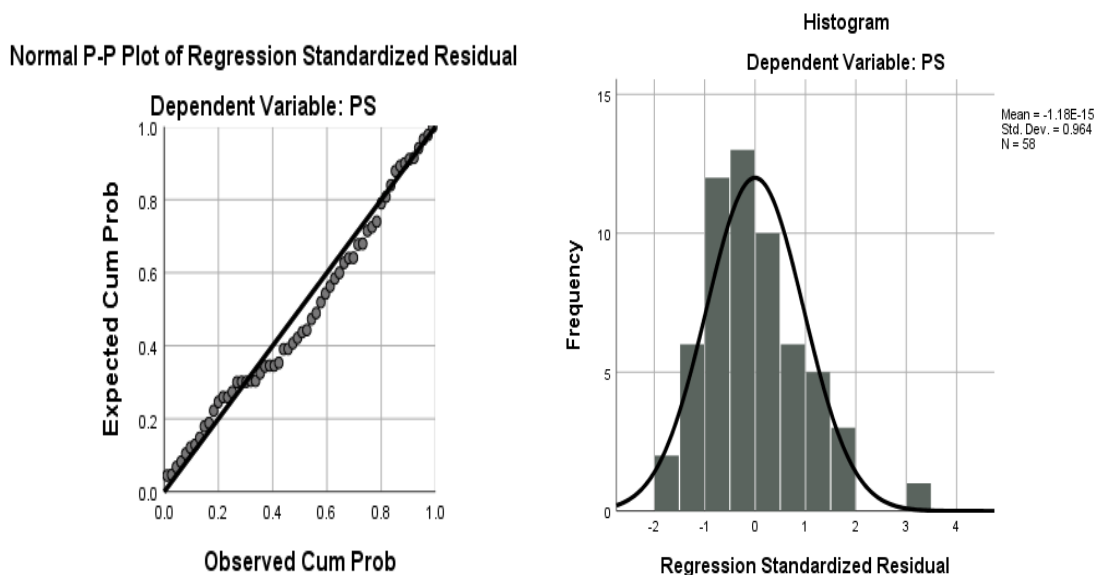


Figure 4.1: P-P plot and Histogram

4.6.3 Model Summary

Table 4.5: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.956	.915	.908	.28140
a. Predictors: (Constant), GM, ID, SC, SI				

Based on the model summary in Table 4.5, the independent variables have a strong positive relation with project success as evidenced by the R of .956. The dependent variable's variation is explained by the independent variables at 91.5% of the time, as shown by the r square of .915, indicating a strong fit between the model and the data. After adjusting for the number of variables in the model, the adjusted r-square of .908, which is a little lower than the r-square but still demonstrates a strong fit of the model to the data, indicates that 90.8% of the variation in the dependent variable is explained by the independent variables. The standard error of .28140 shows the deviation of the observed values from the predicted values, which is a small prediction error.

Table 4.6: ANOVA Table

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	44.967	4	11.242	141.968	.000
Residual	4.197	53	.079		
Total	49.164	57			

According to Table 4.6, $F = 141.968$, $P (.000) < 0.05$, based on this we can conclude that the independent variables significantly affect the dependent variable. Therefore the model is fit.

4.6.4 Coefficients of the multiple regression analysis

$$Y = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + e$$

Where Y is the dependent variable project success, x_1 is stakeholder identification, x_2 is information disclosure, x_3 is stakeholder consultation, x_4 is grievance management, and e is a random error term, α_0 is constant and $\beta_1, \beta_2, \beta_3, \beta_4$, and β_5 are coefficients of independent variables.

Table 4.7: Coefficients of dependent and independent variables

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(constant)	-1.217	.225		-5.413	.000
Stakeholder Identification	.558	.103	.452	5.428	.000
Information disclosure	.202	.080	.155	2.522	.015
Stakeholder consultation	.282	.100	.183	2.809	.007
Grievance management	.307	.109	.259	2.811	.007

As per the standardized coefficient of the independent variables in the regression equation, the below model is specified:

$$\text{Project Success} = -1.217 + .452(\text{Stakeholder identification}) + .155(\text{Information disclosure}) + .183(\text{Stakeholder consultation}) + .259(\text{Grievance management}) + e$$

As revealed in Table 4.7, the effect of stakeholder identification on project success was found to be significant at 99% ($p < 0.000$) and positive (coefficient = .452) this implies that proper

stakeholder identification in project implementation makes the project successful. Therefore, the hypothesis that proposed a significant relationship between stakeholder identification and project success is supported.

As the result of the regression coefficient in Table 4.7 showed, information disclosure has a significant effect at 95% ($p=.015$) and positive (coefficient= .155). This shows that effective information disclosure to stakeholders in the lifecycle of the project leads to project success. As a result, the hypothesis that proposed a significant and positive relationship between information disclosure and project success is supported.

Based on the result in Table 4.7, stakeholder consultation has a significant contribution to project success at 99% ($p=.007$) and positive (coefficient=.183), which indicates consulting stakeholders from introduction to implementation of the project leads to project success. Based on this, the hypothesis that proposed a significant and positive relationship between stakeholder consultation and project success is supported.

As per above table 4.7, grievance management's contribution was found to be significant and positive at 99% ($p=.007$) and (coefficient=.259). Based on the result proper handling and resolving of complaints or disagreements that may come from stakeholders helps in the successful accomplishment of the project. Therefore, the hypothesis that proposed a significant and positive relationship between grievance management and project success is supported.

Therefore, the findings at Table 4.7 show the result for all the variables is consistent with the literature.

4.7 Summary of Hypothesis

Table 4.8: Summary of Hypothesis

Hypothesis	Decision	Justification
H1: The effect of stakeholder identification on project success is significant and positive	Accepted	significant (p=.000) positive (β =.452)
H2: The effect of information disclosure on project success is significant and positive	Accepted	significant (p=.015) positive (β =.155)
H3: The effect of stakeholder consultation on project success is significant and positive	Accepted	significant (p=.007) positive (β =.183)
H4: The effect of grievance management on project success is significant and positive	Accepted	significant (p=.007) positive (β =.259)

CHAPTER FIVE

5 CONCLUSION AND RECOMMENDATION

5.1 Introduction

The purpose of this chapter is to conclude the analysis, make recommendations, and suggestion for future research.

5.2 Conclusion of the Findings

The primary goal of the study was to determine the impact of stakeholder engagement on project success. The study's specific objective was to investigate the impact of stakeholder identification, information disclosure, stakeholder consultation, and grievance management on project success.

- Regarding the respondents' level of agreement with the variables, the descriptive statistics showed the respondents agreed with all the variables, namely stakeholder identification, information disclosure, stakeholder consultation, grievance management, and project success with above average mean.
- The results of correlation analysis indicate that the variables stakeholder identification, information disclosure, stakeholder consultation, and grievance management have positive and significant correlation with project success.
- To determine the effect of the independent variables in influencing project success, regression was applied. As per the result of the regression, the independent variables stakeholder identification, information disclosure, stakeholder consultation, and grievance, management has a significant and positive impact on project success.

The result of the regression analysis and descriptive statistics supports the hypothesis that proposed stakeholder identification, information disclosure, stakeholder consultation, and grievance management have a positive and significant impact on project success.

5.3 Recommendation

Based on the findings of this study, all the independent variables (stakeholder identification, information disclosure, stakeholder consultation, and grievance management) have a positive and significant effect on project success, in which an increase in each variable leads to an increase in project success. The result also showed that the case company has above-average stakeholder engagement levels and practices. Based on this, the researcher recommends to:

- Maintain and improve the current stakeholder identification, information disclosure stakeholder consultation, and grievance management procedures.
- However, there is stillroom for further improvement; for instance, the company can increase the frequency and quality of stakeholder engagement practices by providing more opportunities for opinions and learning.
- Additionally, by creating a clear strategy for stakeholder engagement practices, the organization can benefit from having stakeholder engagement as a core value and competitive advantage in addition to being a good practice.

5.4 Direction for Future Research

Future researchers should examine the impact of stakeholder engagement on project success across various project types by employing a larger and more diverse sample from various sectors and regions to increase the generalizability of the study and methodological support by qualitative approach.

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APPENDIX I-DATA COLLECTION INSTRUMENT

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

GRADUATE PROGRAM IN PROJECT MANAGEMENT

**TITLE: “THE EFFECT OF STAKEHOLDER ENGAGEMENT ON PROJECT
SUCCESS: IN THE CASE OF ZEMEN BANK S.C.”**

Dear Respondents: -

This questionnaire is prepared to conduct a project for the partial fulfillment of the Masters of Project Management program entitled "The Effect of Stakeholder Engagement on Project Success". Hence, you are kindly requested to give the necessary information for the research questions. There is no need to write your name and address and the information that you provide will be kept confidential. The accuracy, honesty, and fairness of your response will have a great impact on the outcome of the research.

Part I: Demographic or personal information (please tick (✓) mark on the box and write your answer in the blank space)

Gender:

Male ☐ Female ☐

Age:

20-30 ☐ 31-40 ☐ 41-50 ☐ 51 and above ☐

Educational level: Married

Less than Diploma ☐ Diploma ☐ Bachelor ☐ Masters ☐ >Masters ☐

4. Your position in the project/organization (please specify)

Director ☐ Manager ☐ Supervisor ☐ Team member ☐

If any other specify _____

5. Indicate your work experience

Less than 1 year ☐ 1-3 years ☐ 3-5 years ☐ above 5 years ☐

Section Two – Questions on (The Effect of Stakeholder Engagement on Project Success: in the Case of Zemen Bank S.C Head Quarter Building Project):

Instruction: Please rate the following statement on a scale of 1 to 5, where 1= Strongly disagree (SD), 2= Disagree (D), 3 = Neutral (N), 4= Agree (A) and 5= Strongly agree (SA).

S.N	Research Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Project stakeholder identification		5	4	3	2	1
6	Project managers are well-experienced in the stakeholder engagement process					
7	Project managers have full authority					
8	The project team is well committed to the stakeholder engagement process					
9	Stakeholder identification was done at the beginning of the project					
10	An area of interest was identified at the beginning					
11	The needs and expectations of stakeholders were explored					
12	The attitudes and behaviors of stakeholders were assessed					
13	Influences of stakeholders were predicted at the beginning of the project					
Information disclosure		5	4	3	2	1
14	Communication with stakeholders is maintained					
15	There is good management of information on sensitive and					

	controversial issues					
16	Stakeholders are communicated on the decision-making process early					
17	Proper and frequent communication with the stakeholders is maintained					
18	Information is disclosed transparently					
19	Continues communication is maintained					
Stakeholder consultation		5	4	3	2	1
21	There is informed participation from all stakeholders					
22	Efforts were made to include project stakeholders in the planning stage.					
23	Consultation with stakeholders happens continuously in the project from introduction to implementation.					
24	There is organizational flexibility in meetings and conferences					
Grievance management		5	4	3	2	1
25	Grievance management was planned					
26	Bringing in third parties where needed is practiced					
27	There is no conflict between the project objectives and the customers' in the process of goal definition					
28	There is mutual trust and respect among stakeholders					
Project Success		5	4	3	2	1

29	The project was completed on time					
30	The project was completed according to the budget allocated					
31	The project was completed according to the planned standards					
32	Stakeholders were satisfied with the outcome of the project					