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**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**

**AN ASSESSMENT OF STAKEHOLDERS MANAGEMENT PRACTICES  
AND CHALLENGES IN GIBE-3 HYDRO-ELECTRIC POWER PROJECT:  
THE CASE OF SALINI IMPREGILO SPA**

**By**

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**Advisor: Abdurazak Mohammed (Dr.)**

**June, 2021**

**Addis Ababa, Ethiopia**

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**COLLEGE OF BUSINESS AND ECONOMICS**  
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**DEPARTMENT OF PROJECT MANAGEMENT**

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**A Final Project Work Submitted to Addis Ababa University in Partial  
fulfillment of the Requirements for an MA Degree in Project Management**

**June, 2021**

**Addis Ababa, Ethiopia**

## DECLARATION STATEMENT

I, Abdurahim Buser, declare that this project work entitled as *“AN ASSESSMENT OF STAKEHOLDERS MANAGEMENT PRACTICES AND CHALLENGES IN GIBE-3 HYDRO-ELECTRIC POWER PROJECT: THE CASE OF SALINI IMPREGILO SPA”* is submitted for the award of MBA in project management from Addis Ababa University College of Business and Economics, School of Commerce Department of Project Management, is my original work, has never been offered for a degree at another institution, and all sources of materials used in this research have been properly recognized.

Abdurahim Buser

Signature\_\_\_\_\_

Date\_\_\_\_\_

## **CERTIFICATION STATEMENT**

This is to certify that Abdurahim Buser has executed this project work entitled “*AN ASSESSMENT OF STAKEHOLDERS MANAGEMENT PRACTICES AND CHALLENGES IN GIBE-3 HYDRO-ELECTRIC POWER PROJECT: THE CASE OF SALINI IMPREGILO SPA*” under my guidance.

This work is original and acceptable for submission in partial fulfillment of the requirement for the award of a Master's degree in Project Management.

Abdurazak Mohammed (PhD)

Signature \_\_\_\_\_

Date \_\_\_\_\_

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## **Acronyms/Abbreviations**

**SM:** Stakeholder Management

**PSM:** project Stakeholder management

**PM:** project management

**EM:** Electro-Mechanical

**GERD:** Grand Ethiopian Renaissance Dam

**BOP:** Balance of Plant

**HPP:** Hydro Power Plant

**MHPP:** Mega Hydro Power Project

## Abstract

*Stakeholder management is important because it aids an organization's strategic goals by understanding and influencing both the external and internal environments, as well as fostering positive stakeholder relationships.*

*In recent years, project execution, especially large ones with many stakeholders, has been fraught with challenges.*

*In this study, the aim is to identify the stakeholder management challenges faced by the EPC contractor organization Webuild (formerly Salini-impregilo SPA) during the implementation of the Gibe-3 Hydro Electric Power Project in Ethiopia's Southern people nation and Nationality region.*

*Moreover, the research will assess the existing practice of stakeholder management of the company during the implementation of Gibe-3 Hydroelectric Power project.*

*A descriptive research design was used, as well as a mixed method approach that included both qualitative and quantitative methods.*

*Using SPSS version 20 software, the survey data is quantitatively analyzed using descriptive statistics such as frequency, percentage, mean, and standard deviation.*

*The quantitative data was statistically analyzed using the Statistical Package for Social Sciences, while the qualitative data was analyzed by comparing the findings to the literature. Furthermore, validity and reliability will be considered.*

*Key stakeholder recognition, qualitative stakeholder analysis, tracking, and control, as well as stakeholder management preparation, key stakeholder reaction in managing stakeholder problems, and quantitative stakeholder management analysis, are expected to be the main findings.*

*Finally, recommendations were made based on the study's results.*

**Key words:** Stakeholders, Stakeholder Management, Hydroelectric Power project, Key Stakeholder.

# CHAPTER 1: INTRODUCTION

## 1.1 Background of the study

Hydropower projects are an important source of long-term power supply around the world, and their importance is expected to rise, especially in developing countries.

The need for Mega Hydro power Projects (MHPPs) in developing countries is critical for rapid economic growth. Governments, therefore, undertake the energy infrastructure most importantly Hydroelectric power project among others for social and economic interventions. Through these, countries have experienced significant growth.

The complex and uncertain nature of mega Hydro Power projects (MHPPs) necessitates a strong stakeholder management (SM) strategy to reconcile competing stakeholder interests.

The presence of multiple stakeholders, the broad nature of the product being developed, and the existence of multiple objectives all contribute to the complexity of Hydro Power projects (Williams, 2002).

Newcombe (2003), suggests stakeholders can be proponents or antagonist which raises the question of their management for positive impact on the project. With the construction industry embracing stakeholder management SM, A key success factor is the ability to effectively manage stakeholders, meeting their needs and ensuring their satisfaction.

The importance of stakeholder management, according to Llewellyn(2009), is to help a company achieve its strategic goals by interpreting and manipulating both the external and internal environments, as well as by cultivating positive relationships with stakeholders.

Despite a growing understanding of the importance of better considering stakeholders' divergent interests in project management, empirical studies show that a lack of alignment among stakeholders results in a constantly changing list of requirements (Tzortzopoulos et al., 2006).

Gary R.(2002) stated that One of the things that make internal stakeholders particularly important is that the perceived success of your project is often judged by the perceived satisfaction of internal stakeholders. Even if you meet the prescribed project targets and run the

project efficiently, if certain internal stakeholders form an unfavorable opinion of your project, your image will still suffer. In addition, most of the key decision makers are internal stakeholders.

As far as this research is concerned, We build (formerly Salini-impregilo SPA), the hydro power developing company in charge of the Gibe-3 Hydro Power project, recognized the importance of involving stakeholders from the start of the project, but it still faces challenges during implementation.

The purpose of this research is to examine and asses stakeholder management practices and the relevant challenges in the implementation of the Gibe-3 Hydro-electric Power Project.

The following sections explain the necessary context details.

### **1.1.1 Stakeholder Participation**

The main principle of stakeholder involvement, according to Freeman (1994), is that an organization's success is determined by its ability to please not only shareholders, but also those agents with a stake in the organization.

According to White (2000), no respectable project can be financed without participation, although Gardner and Lewis (2001) claim that participation has become so abundant in development cycles that it has lost its significance.

The struggle to be more completely human, according to Leal and Opp(2005), can only be fulfilled when people are 'beings for themselves,' when they have their own decision-making powers and are free of coercive and dehumanizing circumstances.

Stakeholder engagement has been criticized for being a top-down concept imposed by the project's implementing agency (Michener, 1998).

Such intervention of organization has always biased the fair and balance participation of project implementer in realization of the effectiveness of a given project with patriation of stakeholders.

Stakeholder engagement has been criticized for being a top-down concept imposed by the project's implementing agency (Michener, 1998).

In particular to Gibe-3 Hydro power project, being the project is Mega project, several stakeholder active participations is mandatory subject due to the fact that the project itself demand several interest group for the realization of project objective.

### **1.1.2 Hydro power infrastructure Sector in Ethiopia**

Africa's highest continuous mountain range is Ethiopia's Highlands. Ethiopia is known as Africa's "water tower" because of its vast water supplies, which are the largest in the continent. The Great Plateau is the source of more than 30 rivers, with 14 main rivers flowing from the high plateau. It also has Africa's largest water reserves. Lake Tana is one of the many lakes in the region.

Ethiopia has the second largest hydropower potential in Africa, with only 10% developed to date but nonetheless covering 90% of the nation's electricity demand. Currently, installed capacity is about 4,330 MW of hydro, but more than 6,600 MW are under construction. By 2020, about 14,000 MW could be in operation. Besides hydro, also geothermal energy and wind are going to be intensively developed.

Despite the fact above, according to the International Monetary Fund (IMF), at one time Ethiopia had one of the fastest growing economies in the world, but despite this it contends with poorness.

The economy faces a number of serious problems, which are addressed with a focused investment in public infrastructure and industrial parks. The economy's progress is highly dependent on the development of the nations' hydro resources. Only 25% of the population has access to electricity today and the government plans to increase this up to 75% within the next five years.

In light of resolving the mentioned serious problem of the country, the Government has launched a new strategy goal with the aspiration to achieve middle- income status by 2025. Since 2011, Ethiopia has implemented the Climate- Resilient Green Economy (CRGE) strategy, which substitutes conventional development by means of harnessing clean energy sources like hydropower, wind, geothermal, solar and biomass, and implementing energy-efficient technologies in the transport and industrial sectors.

With its 2010 Growth and Transformation Plan I (GTP-I), Ethiopia aimed to quadruple installed capacity by prioritizing large hydro developments and achieving total power installed capacity of 10,000 MW by 2015. The government published the GTP-II for 2016-20, with the objective of reaching total installed capacity over 17,208 MW. Hydropower is set to make up about 90 per cent of the power supply.

Presently, the country has two big ongoing Mega hydro power projects, these projects are the controversial Grand Ethiopian renaissance Dam hydro Power project (GERD-HPP-6000MW) and koyisha Hydroelectric power project (2150MW).

When these projects are put in operation, the country will acquire and elevate the potential of energy production for more than 50% of the existing production.

### **1.1.3 Gibe-3 Hydro Electric Power project**

The Gibe III hydroelectric power project is located in the Gibe-Omo River Basin, approximately 450 kilometers south of Addis Ababa, in the middle reach of the Omo River.

Gibe III is a 1,870 MW facility that includes a 240 m dam that creates a reservoir of at least 200 km<sup>2</sup> of surface area, 11,750 million m<sup>3</sup> of live storage, underground and inclined penstocks, and a surface powerhouse with 10 power generating units and switchyards.

Gibe III is one of the projects initiated by EEP, according to African Development Bank (2008), which is partially funded by a loan obtained from the Chinese government and partially funded by own capital (85%).

In terms of project stakeholders, there are a large number of them involved in this project, and they all have a significant effect on the project's smooth execution.

## **1.2 Background of the organization**

Salini Impregilo Spa is an industrial Group specialized in the construction of large works and large complex infrastructure for the sustainable mobility, clean hydro energy, clean water and green buildings sectors.

It has been active in the development of some of the most complex and creative infrastructure projects in 50 countries. Recognized for five years by Engineering News-Record (ENR) as the world leader in water infrastructure (such as dams, hydraulic tunnels, water and wastewater

management, and water treatment and desalination plants), it ranks since 2018 among the top 10 in the environment sector. It is also leader in sustainable mobility (especially metro and rail lines, lines, in addition to roads and bridges).

Salini Impregilo employs 50,000 direct and indirect workers from 100 countries, with the aim of constructing infrastructure projects that spur development and enhance communities' economic and social well-being.

Since 1957, the Salini Impregilo Group has had a presence in Ethiopia. In terms of technological requirements and their effect on the local economy, the Group has completed a number of diverse and ambitious projects over the years.

Each project has had a major effect on the country's economy, such as generating electricity, providing drinking water in urban and rural areas, improving road infrastructure, and constructing hospitals and other community structures.

Currently, hydroelectric systems provide approximately 85 percent of the energy produced in the country, a result achieved thanks to significant investments and completed works.

The Ethiopian government is pursuing a real challenge by concentrating on hydroelectric projects in order to become a carbon neutral country by 2025, and thus free of the use of energy sources produced using fossil fuels.

### **1.3 Statement of the problem**

Moore (2008) investigated the underlying causes of project completion timeliness and discovered that cooperation among key stakeholders played a significant role.

Future Project Management Problems, according to Lalic (2013) in his article: The importance of stakeholder management in the project cycle is one of the trends that has been recognized but not yet institutionalized in the field of project management, especially when it comes to a community of international development projects.

Although previous research has stressed the importance of stakeholder participation, no research has been done on the complexities of stakeholder involvement.

As one of the international construction organizations, Webuild (Salini-impregilo SPA) is open to the challenges mentioned above in some way. As a result, the researcher's main focus was on

reviewing Salini-impregilo SPA's stakeholder management practices and difficulties in implementing its projects, with a specific focus on the Gibe-3 Hydropower Project.

In the case of the Gibe-3 hydroelectric power project, the EPC contractor Webuild has been having trouble completing the project without proper stakeholder involvement and without keeping track of stakeholder interests, which has always resulted in dispute among the project's various stakeholders.

This study would look at whether formal stakeholder management principles are used, as well as which steps in stakeholder management procedures are used in informal stakeholder management. It also outlines the major challenges that Webuild will face when completing the Gibe-3 Hydro Power project.

In a nutshell, the investigation will seek to answer the following question:

What challenges do EPC contractors face in terms of stakeholder management when implementing GIBE-3 HPP?

What is the stakeholder management practices realized in give-3 hydro power project y EPC contractor?

## **1.4 Research questions**

The following are the main study problems that was addressed in this dissertation:

1. What are the methods for managing stakeholder used in GIBE-3 HPP?
2. What challenges are there in managing Stakeholders in in GIBE-3 HPP?

### **1.4.1 Research objectives – general and specific**

#### **1.4.1.1 General Objective**

The overall research goal was to evaluate stockholder management systems and issues of the EPC contractor in GIBE-3 HPP

#### **1.4.1.2 Specific Objectives**

This study's main objectives was described as follows:

1. To evaluate GIBE 3 HPP's stakeholder's management techniques.
2. To investigate the difficulties of stakeholder management in GIBE-3 HPP

## **1.5 Significance of the study**

Although several companies now form internal cross-functional teams to push projects, the Gibe-3 Hydro Power Project is unique in that a Technical Committee was created to serve as a "bridge" between project implementers and all other stakeholders, including the local community.

The active involvement of all stakeholders transformed what had previously appeared to be dormant into a resounding success.

The results of this study would assist mega project implementers (EPC contractors) in closing the awareness gap in the field of stakeholder management activities in achieving project objectives. And the study will also depict in confronting and resolve the many challenges and factors that hinder successful stakeholder management practice in the mega hydro power project like Gibe-3 HPP.

Furthermore, the research will also provide an input for the company under the study (webuild SPA) management to grasp the lesson learned with respect to stakeholder management challenges and practices in case of Gibe -3 HPP so that such learning could be utilized in the next project of the company.

## **1.6 Scope of the study**

The purpose of the study was to evaluate stakeholder management practices utilization and challenges that Webuild (formerly Salini-imregilo SPA) faces with in case of Gibe-3 Hydro Power Project.

Despite the fact the project has many stakeholders that are related to the project but unrelated to the EPC contractor, this paper was only focused on stakeholders that are related with the EPC contractor Webuild (Salini-impregilo SPA).

It is also a matter of fact that Webuild (Salini-impregilo) has several portfolio and practices of management utilized based on the geographical location of the project and other related parameter.

That is why the researcher reiterate that the scope of the study was limited to specific project in Ethiopia called Gibe-3 hydro power project.

## **1.7 Potential limitations of the study**

The study was conducted by focusing on a specific project on Webuld(Salini-impregilo Spa). As a result, the study's findings discuss Webuild (Salini-impregilo Spa) on a specific project called Gibe-3Hydro Power project, generalizing the findings directly to other projects. Projects can be difficult for a variety of reasons. One reason could be that the nature and type of stakeholders involved in other projects differ from those involved in.

It is also a matter of fact that Stakeholder management is a knowledge area. Because this study does not cover other project knowledge areas, the study's findings were limited to stakeholder management practices and challenges that cannot be generalized to the organization's overall project management practice.

## **1.8 Organization of the study**

The research was divided into five chapters, each with its own set of sections and sub-sections. The first chapter covers the study's context, problem statement, research issues, particular and general aims, scope, significance, and research restraints. The second chapter provides an overview of related literature and past research on the topic. The third chapter discusses the survey's methodology. It goes into the report's design, sources of information, sample methods, and methodology used in this study. The fourth chapter discusses the outcomes interpretation. Lastly, Conclusion and suggestions were given in the fifth chapter.

## **1.9 Definition of key terms**

**Project**—According to Turner (1992), Project is an endeavor in which human, material and financial resources are organized in a novel way, to undertake a unique scope of work of given specification, within constraints of cost, time and quality, so as to achieve unitary and beneficial change through the delivery of quantified and qualitative objectives.

**Project Management**—the application of knowledge, skills, tools, and techniques to **project** activities to meet the **project** requirements (PMBOOK, 2013)

**Project life cycle**— the series of phases that a **project** passes through from its initiation to its closure.

**Stakeholder:** interest group over the project (PMBOOK, 2013)

**Plan Stakeholder Management**— the order to determine how a project's project governance duties will be handled (British Standards Institution, 2000).

**Identify stakeholder**—the process of determining which stakeholder may affect the project and documenting their characteristics (British Standards Institution, 2000).

**Perform Qualitative Stakeholder Analysis**—the process of prioritizing stakeholders for further analysis or action.

**Perform Quantitative Stakeholder Analysis**—the process of numerically analyzing the effect of identified stakeholder on overall project objectives (Gardner, 2005).

## **CHAPTER 2: REVIEW OF RELATED LITERATURE**

### **2. Introduction**

This chapter discusses the relevant literature on the research subject. The entire corpus of literature is divided into two parts.: theoretical and empirical. While the theoretical literature encompasses tested theories and academic views of different authors, the empirical literature focuses on what has already been done in the research area together with what was found and recommended.

#### **2.1 Theoretical Review**

##### **2.1.1 Project stakeholder**

Stakeholders, according to Carroll (1993), are "any groups or individuals with whom the organization interacts or has interdependencies," as well as "any person or community who may influence or is influenced by the organization's activities, decisions, policies, practices, or goals."

Stakeholders are described as "people or small groups who rely on the organization to achieve their own goals and on whom, in turn, the organization relies" (Johnson, Scholes, & Whittington, 2008).

They may be personally involved in the project and have a stake in the project's overall success or completion. They have the ability to have a positive or negative impact on the project.

As a result, stakeholders can be considered the most important people involved in a project. They have a vested interest in the project's implementation, including obtaining permits and funding, as well as a stake in the project's outcome. Despite the fact that they may not have an official position on the project, these are the people who will eventually determine if the project is a success or a failure (Koning, 2009).

According to the instrumental view of stakeholder theory, effective ventures would be those in which management implements policies that strike a fair balance between various stakeholder interests. Project stakeholders, like corporate stakeholders, are individuals and organizations with a stake in the project's success.

Stakeholder interactions are an important prerequisite for project implementation and must be maintained efficiently. Stakeholder ties are usually managed by a professional and expert community of project support staff. Stakeholder relations performance hinges on correctly identifying all parties and ensuring that dialogue, coordination, and communication are all conducted.

Stakeholder relations progress hinges on adequately identifying all stakeholders and conducting constructive, direct, and open dialogue, coordination, and cooperation with them.

Communication habits that are honest, truthful, and consistent are expected.

### **2.1.2 Project stakeholder management**

The methods of defining and controlling various stakeholders at various stages of the project lifecycle are referred to as project stakeholder management. Stakeholders may influence the project, or the project may influence their concerns.

**In short stakeholders are: -**

- The so-called "invisible squad." This includes all partners outside of the immediate project management committee that are part of the expanded project team. They can be a fantastic source of help if properly handled.
- Those who look after the team's portrait. The outside perception of the team would have a huge impact on whether or not it is deemed good. It's not enough to only do a decent job; it has to be noticed by those outside the project team. It is not uncommon for advertisement or public relations professionals to be hired for this purpose in the case of very big ventures.
- People who provide a network of helpful contacts who can assist or support the project team if required. It is essential to build key relationships.
- Personnel who can assist in overcoming obstacles and smoothing over difficulties as they arise.
- Workers who use the network to find and provide high-quality project services when and where they're needed.

These members are also used to develop a successful engagement strategy (PMI, 2017). The core components examined are defining stakeholders, managing stakeholders, and engaging stakeholders at various stages.

After that, the project manager will take action to handle the stakeholders.

The below are some questions to consider:

- What should we do to get them to back the project?
- What incentives will we have that they can appreciate?
- How do we market such advantages?

### **Managing stakeholders in four directions**

#### **Managing across**

Most projects depend on other agencies or external organizations, such as vendors, clients, or joint venture partners, to collaborate. They are still invested in the project. Managers turn to them for help with practical processes. They can need them to fill positions on a project team or to alter their business practices.

Managers must address tensions and disputes among the project's core stakeholders while still working to preserve their sense of ownership. Project managers must develop, maintain, and utilize a network of contacts. These ensure that they are aware of any developments that have occurred elsewhere.

#### **Managing staff and users**

Project managers must therefore ensure the contribution of workers, who are collectively responsible for the project's progress. Any people will need to adjust the way they act or where they work. Others would deal with extra work as a result of the transition while continuing to use the old scheme. They can also be relied upon by the project management to explain how a system works now and to have suggestions about how to design the next solution. Managers also take personnel support for granted, oblivious to the valuable commitment that those nearest to the action will bring.

The methods for doing so are well known, and include including those that would be impacted by the transition in its preparation and execution, to the extent that this is feasible. It also entails educating employees about the current structure and providing guidance and backup through the transition. Commitment and inspiration are needed for both of these activities.

This is largely the responsibility of their department's boss, but project managers may have an impact on this through how they interact with users and other employees.

## **Managing up**

A stakeholder review typically shows that senior administrators, perhaps from several agencies, are interested in a project, if only to have the funding. Senior management, like Boards of Directors and heads of other organizational fields, are often influenced by project managers' behaviors and behavior.

Project managers frequently need to be educated about what a project can do and what goals they can realistically plan to meet.

The argument here is that to manage significant projects in a volatile environment, people need influencing skills. The skills of analysis, definition and control - the essence of project life cycle approaches - are still valuable. Indeed, they are necessary: but they are not sufficient. Equally managers need to use participative skills to encourage a sense of ownership and commitment to the change.

This is necessary, but again may not be sufficient. For, in addition, they need to use political skills to influence people in situations where opposition is strong, or where political considerations are high. They need, in short, to exercise influence based on using their power.

### **2.1.3 Stakeholder Participation**

It is claimed that regulation and engagement are associated phenomena, and that involvement contributes to compliance through the participation process (Jentoft et al., 1998).

The authors go on to state that consumers who have a say in the process are more educated, committed, and respectful of legislation, so engagement increases compliance.

Participation also results in increased credibility. Participants' compliance would increase if they thought the protocol was equitable and that their input was taken into account. In fact, it has been established that participants' perceptions of the process's fairness are linked to their perceptions of its validity.

Furthermore, even though the mandates are against their personal interests, participants who believe the procedure is valid have a strong desire to follow the results (Sutinen and Kuperan, 1999).

Participants' belief that their participation is meaningful and makes a difference is clearly one of the most critical aspects of the participation process (Pirk, 2002).

Stakeholders should be concerned because they have rights and useful knowledge about the natural and cultural environment, as well as the benefits of increased regulation and reduced conflict.

Using local data increases the likelihood that a proposed site would meet the community's needs. People who are most dependent on the resources covered, as well as ensuring that issues are identified and addressed prior to the launch of a web site.

This approach encourages a sense of ownership over the plan as well as a respect for the landscape or ecosystem that is being preserved (Salm et al., 2000).

Long-term protection is achieved in some cases by joint efforts between resource users and government officials. Stakeholders who actively participate are more likely to understand the benefits of a protected area, take credit for its designation, and support and enforce the regulations it imposes (Brody et al., 2003).

Although stakeholder participation may aid in the establishment of security that takes into account the interests of those with a stake in the resources, it does not always result in strict levels of protection or effective resource management (Brody 1998).

Stakeholder engagement can lead to delays in decision-making, increased costs, stakeholder group conflict, and a lack of consensus. A variety of variables have an effect on participatory processes.

Decision-making delays can be triggered by a number of context and capacity-based variables.

Mandatory actions are also multidisciplinary in nature, necessitating the involvement of a diverse set of stakeholders.

This may indicate that conflict resolution is needed to reduce tensions among stakeholder groups. The complexity of these processes is often influenced by the level of stakeholder involvement or position in decision-making.

Hearing from all stakeholders and coping with the amount of information gathered, as well as varying perspectives, can be challenging.

### **2.1.4 Stakeholder analysis**

In order to estimate where a stakeholder is positioned approximately you will need to see the world from that particular stakeholder's perspective. From experience over the years we have found that the best way to convey this is to ask managers to have in effect an out-of-body experience –but not quite literally, of course. This entails not only attempting to sense stakeholders' surface attitudes toward a particular issue, but also their deeper emotions, focus, anxieties, and even prejudices (Chitram Lutchman (2011)).

The following are the steps to conducting a stakeholder analysis:

- ❖ First, use the stakeholder periscope to define who you think the main stakeholders are at every stage of the process.
- ❖ Second, determine if these stakeholders have a major, moderate, or minor impact on the problem at hand. You must separate this from their overall power in the business.
- ❖ Third, determine whether they are currently in favor of the initiative, opposed to it, or in a state of neutrality.

#### **i. Identify stakeholders in a project**

When working on a large project, it's helpful to take a few minutes to recognize the stakeholders that will be affected by the job. They will involve both external and internal concerns. This will alert the project manager to potential problems and could even lead to the discovery of potential allies who can assist with the project.

Stakeholders' ability to influence the project varies, and the project manager must be aware of this trend. Strong stakeholders need more attention than weak stakeholders, so considering this helps them to determine where they can focus their efforts.

#### ***ii. Assess their commitment***

The next step is to determine the key stakeholders' level of commitment to the project. This may vary from outspoken opposition to unwavering encouragement – a desire to 'make it happen.' On a scale, the project manager will rate each stakeholder's current commitment.

#### ***iii. Assess their interests***

The final step is to determine the key stakeholders' interests, or those on which you want to focus. This entails thinking about things like:

- ❖ What are their priorities, goals, interests?
- ❖ What is the tone of our relations with them - cooperative, antagonistic or neutral?
- ❖ What specific behavior do you expect of them, on this project?
- ❖ Are they unlikely to see this as positive or negative for them?
- ❖ What is their likely action to defend their interests?
- ❖ What actions does this suggest we should consider to influence them?

## **Stakeholder Groups**

### **Internal and External Stakeholder Groups**

The project leadership team must understand each stakeholder group's expectations, and strategies must be established to handle these expectations on a stakeholder group basis. Stakeholders must be prioritized in terms of project priority and resources dedicated to ensuring sufficient and timely consultation, coordination, and participation.

The power of various stakeholder groups should not be underestimated by project leaders. Aboriginal communities, for example, may put a stop to project execution if their desires and preferences are not adequately handled in the absence of adequate consultation and participation.

Similarly, if regulatory bodies are not properly consulted or informed, execution can be halted. In the absence of adequate communication, consultation, and mitigation actions to address their needs, nongovernmental organizations (NGOs) such as environmental groups may also halt a project.

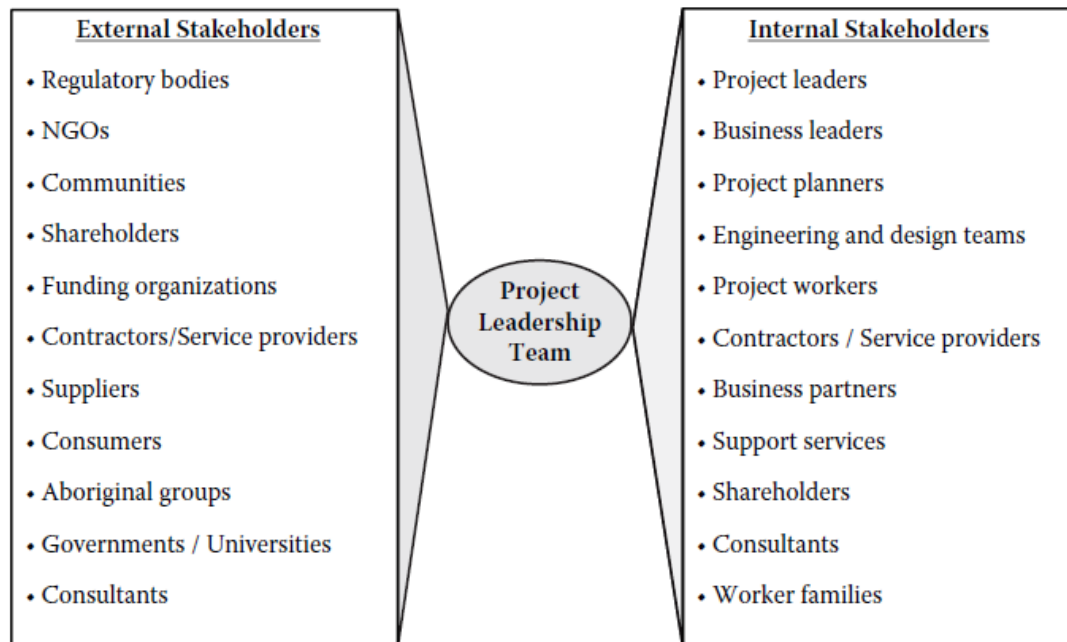


fig.2 Stakeholder group

### **Stakeholder interests and reactions Ideas for action**

When looking at the project from the perspective of the stakeholders, there are likely to be several practical measures a project manager may take to persuade the stakeholders to support the project. This entails determining what benefits the project team will provide to customers that they can appreciate, as well as the best way to market those benefits.

Johnson and Scholes (1999) propose that stakeholders' influence, as well as their involvement in an organization's strategy, be examined. This concept is also important at the project level, as it demonstrates the type of relationship the manager should have with each community.

The manager must commit a significant amount of time and attention to key players. It would be appropriate to put in less effort, or a different kind of effort. As a result, the project manager's attitude must change.

### **Stakeholder Communications**

Integrity, punctuality, transparency, and taking it personally with understanding and care for the stakeholder community can all help to reduce the likelihood of negative outcomes. Such

contact habits aid in the development of trust between the stakeholder community and the owner (and project team).

A good practice to aid junior leaders in reacting to stakeholder concerns is to post posters of regulatory stakeholders in prominent places that are easily accessible in the event that the stakeholder needs to be contacted. In most cases, regulators can have reportable criteria and limitations to the project, and they are frequently prepared to perform appropriate training when necessary.

Taking advantage of such offers demonstrates project leaders' ability to do the right thing..

## **Factors affecting communication between the project manager and stakeholders**

### **Relationships**

What links are there between stakeholders? There may be close links between some of these interest groups - or links may rapidly develop during the project. This refinement of the stakeholder map may indicate how actions to deal with one group can affect others - either in favor of or against the project. Stakeholders talk to each other, and will pass bad news as well as good round the grapevine.

- How do they presently relate to each other, and will the change make that better or worse?
- During the project, will the reactions of one group of stakeholders change the attitudes of others? For example, will concessions given to one group affect the expectations of others?
- If two groups have to work together during the project, are they able to do so effectively?

These current effects become increasingly speculative, and it is pointless to anticipate too far. But stakeholders will be talking to each other, seeing what others are getting, and asking what it means for them.

### **Gatekeepers**

Another individual can act as a conduit for communication between a project manager and stakeholders. This may be the head of a department whose members are interested in the transition, or a member of another group's project team, such as senior management.

### **Two gatekeepers**

A organization seeking to implement a major change had formed a team comprised of the heads of the major departments affected. It was critical to the project's progress that all of the departments' staffs were kept informed about the proposals. It was also necessary to gain their approval for the project. The person in charge of the operation realized that not all of the relevant information was reaching all of the workers in one place. This caused disappointment and a negative perception of the proposals.

The project manager for a new facility for an industrial chemicals company depended on his supervisor to update the Board on results. As the team worked out the design, they wanted to consider the business consequences of any changes to the plant specification.

It was later discovered that this knowledge did not make it to the Board. They were completely unaware of major design changes as well as the project's challenges.

Both of these examples demonstrate how someone filtering information impacts contact between the project manager and stakeholders.

### **Sleepers**

At first, not all stakeholders would be clear. Project workers may not predict their needs, and they may be unaware that the project may have an effect on their job. They could reappear later in the project to safeguard their own interests.

Can the project manager neglect future problems, dealing with them only as they occur, or should he go out of his way to find them? The latter strategy has the advantage of allowing the project manager to take the lead. Rather than having the problem arise at an inconvenient moment, he or she can choose when and how to bring it up.

### **Sleeping directors**

A new branch accounting scheme was implemented by a national travel agency. This used a networked computer system to automatically move reservation information from retail outlets to the head office. This system also allowed management at the center to receive a lot of information about business trends and the relative performance of different branches.

Based on their local knowledge of the branches, the company's regional directors had previously been the primary source of this information. They were uninterested in the project to

install the networked accounting system until it was too late, and they realized the consequences for their position and protection within the organization.

They then attempted, but failed, to modify the proposed system in order to keep control of branch information.

### **Timing**

Stakeholder attitudes and behavior may shift as the project progresses and at different stages.

Three main players were interested in a project to incorporate a time-recording system into an insurance business, for example. One maintained a positive attitude toward the transformation throughout, gaining status and rewards at each point.

Another group was initially pessimistic but later became positive, while the third group experienced the reverse. When they realized how much more power they would have, their initial high hopes dissipated.

This is important because it highlights the complex essence of the project's relationship with its stakeholders. Outside activities, as well as the project manager's decisions, have an impact on how interest groups perceive the project.

## **2.2 Empirical studies and knowledge gaps**

The researcher attempted to review some of the relevant papers and publications that are applicable to the subject under study for the purpose of empirical review.

The articles, to the extent possible, cover both the international and national levels in order to gain a better understanding and build relationships.

Berkay Dagli (2018) investigated the connection between project performance and stakeholder management. He argued that project stakeholders must be considered as a bidirectional phenomenon, and that project managers should understand the benefits that stakeholders may offer, considering the possible challenges to the project. He also said that whatever strategy is implemented,

It is important to remember that stakeholder management should be incorporated into the project at all stages of its life cycle. Investors, consultancies, subcontractors, DPs, NGOs, and local residents are among the numerous different stakeholders, Charles Amoatey's 2017 study

identifies the critical success factors (CSFs) for successful project stakeholder management at the local government level in Ghana.

The study used a survey method to collect data and used a qualitative approach. The survey, which included 120 respondents from the various stakeholders mentioned above, was selected using purposeful sampling. The study found that interacting with as well as evaluating progress, distinguishing stockholders, developing a clear projects conceptual framework, sustaining and cultivating strong bonds, and evaluating stakeholders conflicts and alliances are all critical factors in effective stakeholder management (Charles Amoatey, 2017).

Another research, *Barriers to Successful Stakeholder Management in the Delivery of Multifaceted Projects*, conducted by Gali A. Zarewa, (2019), identified numerous obstacles for effective stakeholder management practice. The research included a literature review, a questionnaire survey, and data analysis using the Relative Importance Index (RII).

Inability to comprehend stakeholders' requirements, stakeholders' unwillingness to cooperate, inability to recognize important stakeholders, failing to address possible areas of conflict, project manager's lack of stakeholder management (SM) skills, untimely stakeholder verification Presenting stakeholders with misleading data, a lack of stakeholder engagement/involvement, disagreements between stakeholders, stakeholder confusion of positions, a lack of justice and equality for all stakeholders, and a lack of consistency in the SM process are all listed in the above-mentioned literature report.

And these were ranked as the top ten barriers to ESM in the delivery of Multifarious Projects, in descending order, with the highest levels of effects.

In light of the importance of ESM to effective project execution, The report also recommends that an appropriate plan for governing stakeholder engagement in the completion of MIPs as well as other activities be developed.

## **CHAPTER 3: RESEARCH METHODOLOGIES**

### **3.1 Research design**

The study's goal was to evaluate the company “We build SPA” project stakeholder management practices and difficulties in the construction of the Gibe-3 Hydroelectric Power Project (Salini-impregilo SPA).

Identifying key stakeholders in the Gibe-3 Hydro Power project, defining their roles, determining the level of stakeholder management practice, and identifying relevant challenges are the research goals and research questions. An appropriate research design was required to achieve the study's goal.

The descriptive method was used because the research requires an accurate and systematic description of the current practices of project stakeholder management of the related hydro power project projects.

### **3.2 Research Approach**

This study analyzed the stakeholder management challenges and practices in particular project get reach to conclusion based on qualitative and quantitative data.

Quantitative data was collected via questionnaires (closed-ended questions), while qualitative data will be conducted via open-ended questions, and review of documents. That is why the research approach is assumed to be mixed approach.

### **3.3 Description of study area**

The study of project Stakeholder management practice and challenges was conducted on the construction of Gibe-3 Hydro Power project which have been constructed by Salini-impregilo Spa.

Notwithstanding the fact that Salini Impregilo is an international Mega project construction company that took part in in all over the world in realizing project completion the work, the study was limited to the assessment of stakeholder management practice and challenges used by Salini-impregilo in the particular project known as Gibe-3 Hydro power project.

In this Project, Salini-impregilo Spa is an EPC contractor for the execution of civil structures that comprises Dam, Road, power house, spillway and ancillaries of the power plant. While the plant contractor know as Dongfeng electric have been executing the parts which belong to

hydro steel structure and Electromechanical which comprises turbine-generator with the relevant mechanical and electrical balance of plan.

### **3.4 Target population**

The report's target group included project managers, senior project engineers, architects, consultants, client supervisors, sub - contractors representatives, marketing executives, and other support personnel who were responsible for planning, architecture, supply chain, execution, management, and assist of either the foundation's overall system successful execution, and the target population are expected to be total of 34 in number.

### **3.5 Sampling technique**

As prescribed above, this survey's target population was all of the project's personnel, and all of the 34 staff members were in charge of planning, developing, directing, supervising, and assisting the project's ultimate execution. As an outcome, the population for this study was 34 individuals from whom the data was obtained.

Since non-probability sampling techniques are often appropriate for exploratory and analysis, and since the aim of these types of research is to establish an initial understanding of a small population rather than to test a hypothesis about a large population, it would be appropriate for this study to use non-probability sampling because the population will be small.

As a result, the researcher assumed that the sample taken would be representative of the entire population. The study's aim was to evaluate the organization's stakeholder management practices in general and to identify the obstacles encountered during the process.

### **3.6 Sample size**

Since the number of people as manageable for data collection via questionnaire, the entire 34 population was chosen to fill out a questionnaire. It is estimated that 92 percent of the 34 questionnaires distributed to the sample will be returned.

And project managers, including planning manager, operations manager, electrical supervisor, and client-side project chief, will be chosen at random for interviews.

### **3.7 Data collection – source, types, instruments, etc.**

Both primary and secondary data will be obtained in order to achieve the study's goal.

Primary data will be gathered through questionnaires and interviews, while secondary data will be gathered from current research papers, articles, and publications, as well as books and websites. The survey will be given out in person and via email. Following the data collection through questionnaire,

Based on the aforementioned research and literature, a questionnaire will be developed. For this assessment, it would be the major data gathering technique, including an interviews supplementing the data obtained thru the questionnaires. His research advisor and colleagues will receive drafts of the questionnaire and interview questions from the researcher.

### **3.8 Data analysis – model, techniques, software, etc.**

To assess the practices of project stakeholder management in the construction of the Gibe-3 hydropower project by Salini-impregilo Spa, the study had employed both a qualitative and quantitative approach to data analysis.

The information gathered through interviews was analyzed qualitatively by Logical and deductive narratives, while the information gathered through questionnaires was analyzed quantitatively using statistical software known as, SPSS Statistics version 24. As a result, in addition to reviewing related literature such as books, articles, journals, and magazines, the researcher will use primary sources of data.

### **3.9 Reliability and validity analysis**

To ensure the validity and reliability of the data used in this study, the researcher has tried to design the instruments using reliable sources such as published books, articles, and previous research in the field. Furthermore, the researcher will receive feedback from the research advisor on the questionnaire and interview questions in order to minimize instrument errors.

### **3.10 Ethical considerations**

The information given was kept private, and the responses given by key informants were not be used for any other reason than this study. The respondents were told that the information they provided would be kept private and used solely for educational purposes.

## **CHAPTER 4: DATA ANALYSIS AND DISCUSSIONS**

### **4.1 Introduction**

This study aimed to assess the stakeholder management practice and challenges in Gibe-3 hydro power project with a particular case of Webuild SPA (formerly Salini-impregilo SPA).

In this specific chapter, the data analysis and interpretation of the data collection realized based on the methodology stated in chapter -3 of this document.

The researcher used a stratified random sampling method to get a sample of 34 professionals who have been participated in Gibe3 Hydro Power Project.

The analysis and findings are presented in the different stakeholder groups which were targeted. These include Technical Committee members, Client project manager, Client engineers Employer representative, department head Project staff, Provincial Administration and those Sub contracted by the project. The data was of both quantitative and qualitative nature.

As the particular assessment is in the case of EPC contractor (i.e., Salini-impregilo SPA), most portion of the data collected via a questioner is from salini-impregilo stuff.

10% from each cluster unit, out of the 34 questioners dispatched through email, and in-person 34 for questioners have been returned. It represents an 100% response rate.

The analysis of the data from the questioners is carried out by a computer application called SPSS (Statistical Package for Social Sciences) Version 20. The results for questioner analysis are triangulated from an interview of the project manager and project-related documents like minutes of meeting and correspondence among the stakeholders.

Moreover, the study finding and formulation of theory from the major finding will also be conducted.

As far as the empirical data through questioners is concerned, the data are depicted and analyzed in terms of four section as below;

- 1) General background and demographic data of the respondent.
- 2) Stakeholder management practices of the respondent

3) Challenges of stakeholder management observed by the respondent.

As prescribed above, findings are interpreted, discussed and linked to the theory having critically reviewed several articles on the subject matter of this research.

### 4.2 General Information about Respondents /Demographic Variables

The demographic variable which is general information request that comprises age, educational background, experience in projects, and current responsibility in the respondent's organization was depicted in the first part of the questionnaire, and the relevant response is presented as shown in the table here below.

Table 7- General information

GENERAL INFORMATION ABOUT RESPONDENTS		Frequency	Percent	Valid Percent	Cumulative percent
<b>Respondents Age in Years</b>					
Age in Years	21-30	2	5.9	5.9	5.9
	31-40	21	61.8	61.8	67.6
	41-50	8	23.5	23.5	91.2
	above 50	3	8.8	8.8	100
	Total		100%	100%	
<b>Educational background</b>					
Level of Education	Bachelor	29	85.3	85.3	85.3
	Master	5	14.7	14.7	100
	Total	34	100%	100%	
<b>Experience in projects</b>					
	3-5	2	5.9	5.9	5.9
	greater or equal to 10	32	94.1	100	100
	Total	34	100%	100%	
<b>Job Title</b>					
Responsibility at the Organization	Other	2	5.9	5.9	100
	Designer	3	8.8	8.8	94.1
	Project Engineer	10	29.4	29.4	85.3
	Project Manager	19	55.9	55.9	55.9
	Total	34	100%	100%	

Source: Owen survey 2021

The demographic variable depicts the population's age differences, which are among the most essential demographic features, because the youth are described as active, whilst the elder generations are seen as having Skill. 61.8 percentage of Project team members were between ages of 25 and 64, based on the current aging profile. the ages of 31-40 from a frequency of 21 respondent, about 23.5% of the employee are between the age of 41-50 from a frequency of 8 respondent.

In view of the result, it can be deduced that most of the sampled respondent are mature enough which compel them to provide a data that can be more realistic and based on informed decision.

Since their experience in the company matters so much, the issue of work experience is restricted to the organization under review. Work experience is another important factor to consider when assessing the importance of stakeholders in a project environment; professional workers provide more accurate information.

**Figure 1: Respondent work experience**



Source: Computed from own survey data ,2021

The table also indicates that the majority of workers (94.1%) have greater or equal to 10 years of working experience in the company, while 5.9% have 3-5 years, indicating that they have very rich experienced which expose them to have a deep knowledge about stakeholder management and its interaction with their respective organization.

Educational status is another important demographic attribute, as feedback from more educated people will carry more weight, so understanding one's educational status is a must. From the table of demographics, it's also known that 85.3.24 percent of workers have a bachelor's degree, and 14.7 percent have a master's degree. Based on these two results, the responses from these employees will provide a clearer image of the organization, and having educated workers also gives the company a better ability, because human capital plays such an important role in project performance these days.

The respondents are mostly from various job positions, with the majority (55.9%) being Project manager, there are also Project engineer, who make up 29.4% of the surveyors, 8.8% are designers and 5.9% of the respondent are engaged with other professionals such as planner, Consultant and so on.

The combination of roles would provide more insight for all-encompassing data, allowing the results to be much more accurate but still ensuring that the company is accompanied by professionals with sufficient expertise.

### **4.3 Stakeholder Management practice-general**

The umbrella issues how the company handles its stakeholders are a crucial aspect of a general understanding of the stakeholder management process in the project.

Regardless of the general stakeholder management practices ,5 questions were raised in the questioners.

The improvement of project performance, application of standardize stakeholder management in GIBE-3 Hydro Power Project, assignment of dedicated team for stake holder management system, allocation of resource and conflict resolution plan realization for the stakeholder management in GIBE-3 Hydro Power project are the crucial enquiries raised for the respondent

In view of the above, here below a Table that explicitly present the respondent respond in terms of mean and standard deviation.

**Table 1:Stakeholder management practices**

Stakeholder management practice-general	N	Mean	Std. Deviation
Project stakeholder management can improve project performance	34	4.3529	0.64584
A standardized stakeholder management Practice in Gibe-3 Hydro Power project is applied by EPC contractor	34	3.0588	1.01328
A dedicated unit has been assigned for Gibe-3 HPP by EPC contractor that is responsible for stakeholder management	34	3.0000	0.42640
To allocates enough funds, technical tools, experts and skilled personnel for improving project stakeholder management	34	3.7353	0.86371
There is conflict resolution plan in place and communication among the project stakeholder	34	3.3824	1.15509

Source: own survey ,2021

As it can be seen in the above table the mean (4.352) and SD (.645) indicates that most of the respondents strongly agreed that the project stakeholder management realization can improve the performance of the project.

The response result with the mean (3.05) and SD (1.01) indicates that the company does have standard stakeholder management technique while there are not less respondents who don't Agree with its availability.as the respondent comprises consultant perception such output reveals that the EPC contractor actually apply the stakeholder management practices in a satisfactory manner. However the disagreement response with 38.2 % and Neutral response of 26.5 % compel the research author to triangulate the response with analysis of the existing project document and procedure draw the depiction of the result into the interpretation that the EPC contractor has weak standard stakeholder management techniques.

The findings also indicated that A dedicated unit has been assigned for Gibe-3 HPP by EPC contractor that is responsible for stakeholder management as indicated by a mean (3) and SD (0.426).

In fact, adequate finances, instructional materials, specialists, and qualified individuals should be allocated to improve project corporate governance, almost all the respondent agreed that such resource allocation plays a vital role in improving the project stakeholder management in the project like Gibe-3 Hydro power project such result was indicated by a mean (3.735) and standard deviation SD (0.8637).

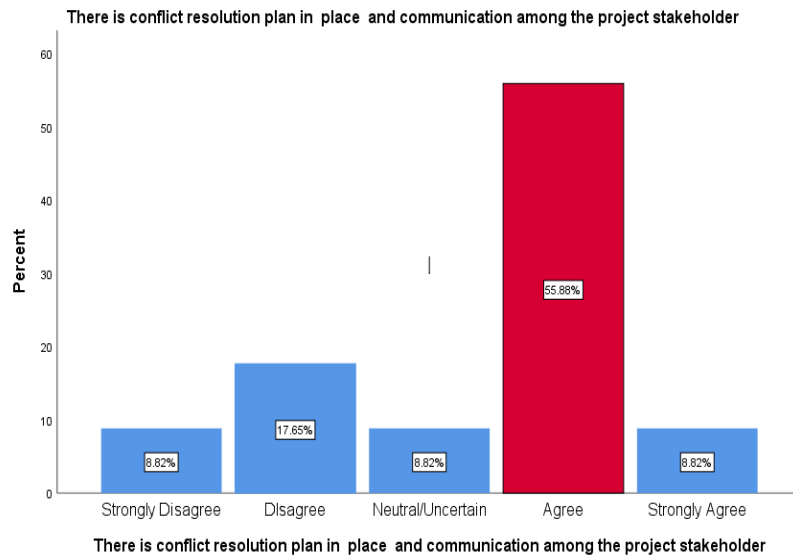
It is also a matter of fact that the SD value (i.e. 0.8637) prevails most of the respondent has some opinion about the mentioned variable.

The respondents were also asked, whether There is conflict resolution plan in place and communication among the project stakeholder of GIBe-3 Hydro Power project in case of Salini-impregilo SPA ,the value mean (3.3824) and SD (1.155) indicates that the company has a conflict resolution plan and communication platform, in particular to the communication platform ,the EPC contractor always arrange a weekly minutes of meeting that us always held at the presence of different stakeholder during the execution of the project.in this minutes of meeting all the coordination, technical and conflict resolution among the stakeholder will be dealt so that peaceful execution of the project is realized.

That is why the respondent has a positive response about this specific issue.

here below the summarized histogram figure that depicted the response output of respondent on the issue of is conflict resolution plan and communication of the stakeholder.

Figure 2: Stakeholder management practice-conflict resolution plan and communication

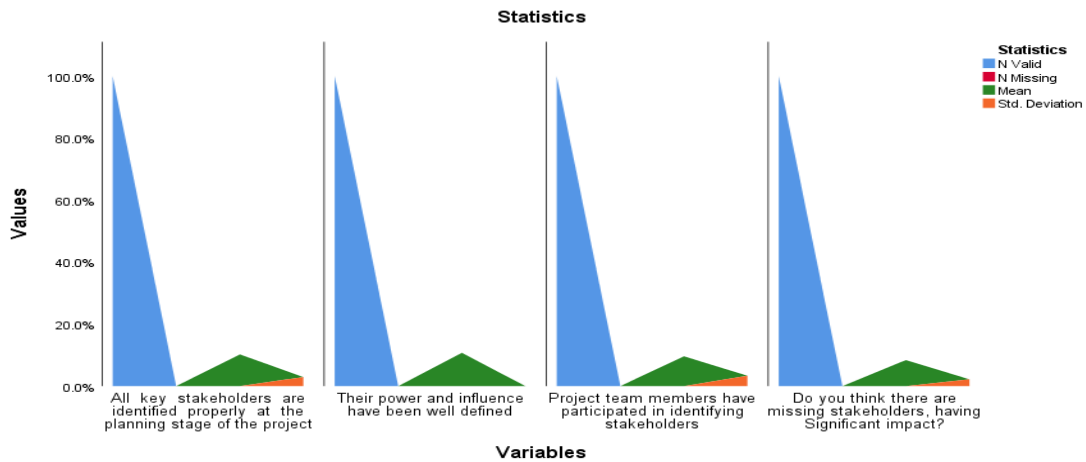


Source: Computed from own survey data ,2021

#### 4.4 Stakeholder identification

In particular to stakeholder identification, four question were raised by the researcher and these were responded as the diagram here below;

Figure 3: Stakeholder identification response



Source: Owen survey data, 2021

**4.4.1 All key stakeholders are identified properly at the planning stage of the project**

**Table 2: Stakeholder Identification at planning stage**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	20.6	20.6	20.6
	Disagree	19	55.9	55.9	76.5
	Neutral/Uncertain	8	23.5	23.5	47
	Total	34	100.0	100.0	100.0

Source: own data ,2021

As per the table here above, more respondent (i.e., 55.9%) answered that they are disagree about the proper identification of stakeholder during the planning stage, about 23.5% of the respondent are uncertain whether stakeholder identification is realized during the planning stage of the project.

Moreover, about 20.6% of the respondent which they are top management strongly disagree

Because the majority of respondents disagreed with key stakeholder identification in the planning stage, it can be stated that there was a gap in identifying as many key stakeholders as possible at the stipulated stage.

Stakeholders are identified as part of the project commencement, and this list needs to be evaluated and updated as the project develops, according to Freeman (1984). Identifying all stakeholders early on aids in the development of more manageable projects by allowing all stakeholders' interests to be factored into the planning stage.

#### 4.4.2 Stakeholder power and influence have been well defined

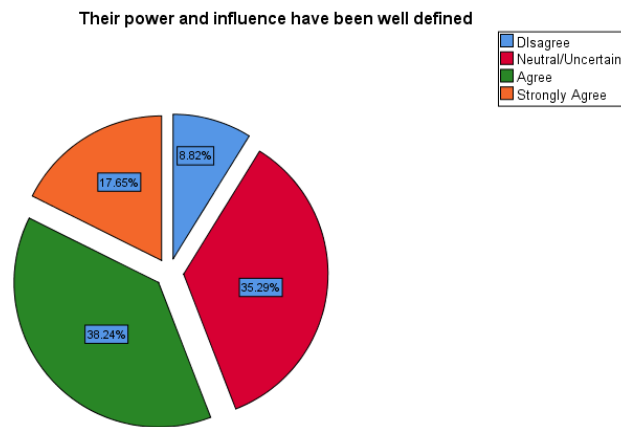
The majority (38.24%) of the respondents are agree in defining the stakeholder's interest and influence.

Moreover ,17.65% of the respondent are strongly agreed which by the way these respondent are Top management that draw to conclude in Gibe-3 Hydro power project, the stakeholder power and influence have been well defined during the stakeholder identification scheme of the management system of the EPC contractor.

This indicates that even though there are stakeholders identified their power and influences are not well articulated. Which in turn shadows the success of the project since it may not prepare a strategy for the expectations and power of the stakeholders.

As per the chart here below, it has to be recalled that about 35.29% of the respondent are not certain about this particular question, which might be they are not sure whether the EPC contractor well defined the power and influence of the stakeholder in advance.

**Figure 4: stakeholder identification: power & influence**



Source: own survey data ,2021

#### 4.4.3 Project team members have participated in identifying stakeholders

**Table 3: Team member participation in stakeholder identify**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	8.8	8.8	8.8
	Disagree	6	17.6	17.6	26.5
	Neutral/Uncertain	7	20.6	20.6	47.1
	Agree	15	44.1	44.1	91.2
	Strongly Agree	3	8.8	8.8	17.4
	Total	34	100.0	100.0	100.0

Source: Owen survey Data,2021

As per the result table here the above ,44.1% of the respondents agree about their participation in identifying stakeholders, while 17.6% of them have disagreed the participation of stakeholder during identification phase, moreover not few respondent is uncertain whether the participation of team member during the stakeholder identification.

In view of the above, most team member of Gibe-3 Hydro Power project had been participated in identification of stakeholder.

#### 4.4.4 Do you think there are missing stakeholders, having Significant impact?

As prescribed in the result table here below, 41.2% and 11.8% are agreed and strongly agreed respectively that in particular case of stakeholder identification, there are influential stakeholders which are not identified and participated in the execution of the project. Such shortcoming has substantial impact on the project objective achievement as well as project success.

It is also noted that about 35.3 % are uncertain whether key stakeholder is missed or not.

**Table 4: Missing stakeholder, having significant impact**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<u>Disagree</u>	4	11.8	11.8	11.8
	Neutral/Uncertain	12	35.3	35.3	47.1
	Agree	14	41.2	41.2	88.2
	Strongly Agree	4	11.8	11.8	23.4
	Total	34	100.0	100.0	100.0

Source: Owen survey data,2021

## 4.5 Plan stakeholder management

### 4.5.1 Stakeholder analysis is useful for ensuring that decision-making processes are of high quality.

52.9% of the respondent are strongly agreed 38.2% ae agreed and very few respondent (i.e. 8.8%) disagree about the stakeholder analysis usefulness to ensure the high quality decision making process.

This indicates that respondents are sufficiently aware of how stakeholder analysis might influence decisions.

**Table 5: Stakeholders analysis for ensuring decision making**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<u>Disagree</u>	3	8.8	8.8	8.8
	Agree	13	38.2	38.2	47.1
	Strongly Agree	18	52.9	52.9	
	Total	34	100.0	100.0	100.0

Source: Own survey,2021

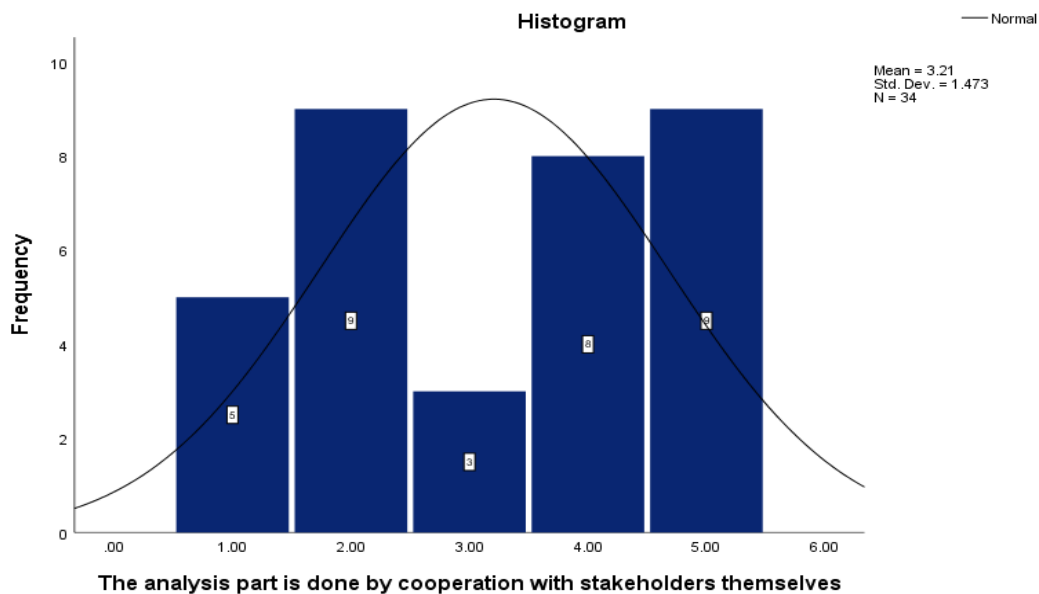
#### 4.5.2 The analysis part is done by cooperation with stakeholders themselves

As per the result of analysis report from the questioner here below, 26.5% are disagree, 26.5% are strongly agree, 23.5% are agree and 8.8% of the respondent are uncertain about cooperation of stakeholder during the analysis stage of stakeholder.

Therefore, from the result of the respondent response, it is very difficult to reach to conclusion as the respondent response frequency distribution is more or less very close.

Moreover, the standard deviation SD (1.47) does not drive to the conclusion of the a specific result.

Figure 5: cooperation with stakeholder



Source: Owen survey data, 2021

#### 4.6 Manage Stakeholder Engagement- communication

In order to examine the management of stakeholder engagement particularly the communication among the stakeholder with the EPC contractor, the researcher enquire the respondent about the condition of integrity between the stakeholders in the project, During the planning stage, how all stakeholders are aware of the project's origins and planned goals and whether the project's main stakeholders have a shared understanding.

The response of the respondent is presented as below;

#### 4.6.1 The project's main stakeholders are well integrated.

**Table 6: main stakeholder are well integrated**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	17.6	17.6	17.6
	Disagree	15	44.1	44.1	61.8
	Neutral/Uncertain	8	23.5	23.5	85.3
	Agree	4	11.8	11.8	97.1
	11.00	1	2.9	2.9	5.4
	Total	34	100.0	100.0	100.0

Source: Owen survey, 2021

As the table here the above, 44.1 % and 17.6% disagree that important stakeholders are not adequately integrated all across the project.11.8% agree and 23.5% of the respondents are neutral.

This indicates that there is a gap in the integration of stakeholders across the project's life cycle.

#### 4.6.2 During the planning stage, all stakeholders were kept informed about the project.

**Table 7: stakeholder were kept informed about the project**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	26.5	26.5	26.5
	Disagree	13	38.2	38.2	64.7
	Neutral/Uncertain	6	17.6	17.6	82.4
	Agree	4	11.8	11.8	94.1
	Strongly Agree	2	5.9	5.9	11.8
	Total	34	100.0	100.0	100.0

Source: Own Survey, 2021

As depicted in the table here the above, 38.2% of the response is disagree and 26.5% are strongly disagree about whether stakeholder is kept informed during the plaining stage or not. However about 11.8% of the respondent agree that they are informed during the planning stage,

theses respondent is the top management, which implies at the planning stage only few stakeholders unlike the whole stakeholder are kept informed which make that the EPC contractor are not inclusive in such a way that it fail to pave the success of the project by realizing the good stakeholder management system.

In view of the above, the implication there is also a communication gap between the organization and the stakeholders. Not well communicated stakeholders are not your supporters that they may not have clear understanding about the project and even they may become resistant.

#### **4.6.3 All main stakeholders are aware of the project's origins and planned goals.**

In the table here below, 55.9% of the respondent disagree and 14.7% strongly disagree about the planned goal are not acknowledged and informed to the stakeholder, about 14.7% of the respondent are not certain whether stakeholder are aware about the shared goal of the project.

In view of the above, the result implies the stakeholders have a gap in understanding the goal of the project, which will affect working together.

According to Tres Roeder (2013), project managers must ensure that all stakeholders understand the project's goal. However, many PMs regard these procedures as superfluous, and as a result, they realize too late that some stakeholders have been missed, and they skip the first stakeholder meeting, leaving them with an incomplete understanding.

**Table 8:Staeckholder awareness of project origin and planned goals**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	14.7	14.7	14.7
	Disagree	19	55.9	55.9	70.6
	Neutral/Uncertain	5	14.7	14.7	85.3
	Agree	3	8.8	8.8	94.1
	Strongly Agree	2	5.9	5.9	11.8
	Total	34	100.0	100.0	100.0

Source: Owen survey data,2021

**4.6.4 The project's main stakeholders have a shared understanding.**

**Table 9: Stakeholder shared understanding**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	20.0	20.6	20.6
	Disagree	13	37.1	38.2	58.8
	Neutral/Uncertain	13	37.1	38.2	97.1
	Agree	1	2.9	2.9	5.8
	Total	34	97.1	100.0	100.0
Total		34	100.0		

Source: Owen survey, 2021

As per the result table above for the enquiries of stakeholder shared understanding,38.2% of the respondent disagree ,20.6% of the respondent strongly disagree,37.1% of the respondent are neutral and only 2.9% of the respondent are agree about the common understanding of the stakeholder.

Therefore, from the result, it can be deduced that deduce that at the very least, the project structure fails to generate a unified understanding among its major stakeholders.

## 4.7 Control stakeholder engagement

### 4.7.1 The formal stakeholder management (interaction between each stakeholder) is sufficient to meet the objectives.

**Table 10: Interaction between each stakeholder**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	48.6	50.0	50.0
	Disagree	5	14.3	14.7	64.7
	Neutral/Uncertain	12	34.3	35.3	79.6
	Total	34	97.1	100.0	100.0
Total		34	100.0		

*Source: Owen survey data.*

As per the result table here the above which is about interaction between each stakeholder for meeting the project objective ,48.6% of the respondent were strongly dis agree and 14.3% disagree which proves the interaction of stakeholder against meeting the objective of the project .

In view of the above results, it is clear from the information provided that the organization does not have formal stakeholder management practices in place.

#### 4.7.2 Stakeholders are updated on the project's progress on a regular basis.

**Table 11: Stakeholder updated on the project progress**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral/Uncertain	3	8.6	8.8	8.8
	Agree	19	54.3	55.9	64.7
	Strongly Agree	12	34.3	35.3	69.6
	Total	34	97.1	100.0	100.0

*Source: Owen data survey ,2021*

As far as Gibe-3 hydro power project is concerned, there are correspondence letter platform as well as weekly minutes of meeting that regularly addresses the updated progress of the project for main stakeholder.

In support with this actual execution, the respondent positively agreed and re-affirmed the availability of updated project progress report on regular basis. That is why 55.9% of the respondent are agree as well as 35.3% of the respondent were also strongly agreed about this particular implementation in scheme in Gibe -3 Hydro Power project.

#### 4.7.3 The level of cooperation between stakeholders is excellent

**Table 12: Cooperation Between level between stakeholder**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	8.8	8.8	8.8
	Neutral/Uncertain	4	11.8	11.8	20.6
	Agree	15	44.1	44.1	64.7
	Strongly Agree	12	35.3	35.3	70.6
	Total	34	100.0	100.0	100.0

*Source: Owen Survey data ,2021*

The outcome of the above table reveals that most of the respondent agreed that there is a good cooperation between the stakeholders for which the tendency of conflict among the stakeholder are very less. however as per the data received from the respondent who is from the employer side, cooperation is very less when it is between the EPC contractor and the client as the project objective achievement was not in good truck during the execution of the project.

#### 4.7.4 Their aspirations are recognized, understood, and controlled.

**Table 13: Stakeholder aspiration**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	11.8	11.8	11.8
	Disagree	21	61.8	61.8	73.5
	Neutral/Uncertain	7	20.6	20.6	94.1
	Agree	2	5.9	5.9	11.8
	Total	34	100.0	100.0	100.0

*Source: Owen Survey data ,2021*

As the project is Mega projects, several stakeholder expectations are an outstanding issue and such recognition and controlling has a big impact on the successful realization of the project.

Referring to the response of the respondent, 61.8% of the respondents disagree, 20.6% of them are neutral, 5.9% agree.

As a result of this finding, the company is having trouble comprehending, acknowledging, and managing stakeholder expectations. If the organization does not consider its expectation management, this type of situation will result in a lack of cooperation, which could put the project in jeopardy.

#### 4.8 Stakeholder management Challenges

Winter et al. (2006) argue that the complexity of projects is increasing because organizations are facing the challenge to shift from the delivery of products to the generation of value and benefits.

Winter et al. (2006) argue that project management practices should consider projects situated in a social and political context, adequately dealing with the dynamics of this context, the complexity of social interaction and human action and the framing and reframing of projects within an evolving array of social agenda, practices, stakeholder relations, politics and power (Winter et al., 2006).

In particular to Mega project like Gibe-3 Hydro power project, the challenge is a paramount subject that shall be researched and addressed for which practical findings shall be attributed.

In the table here below, most popular and common challenges that in ascending order from top to bottom using frequency values for of the challenges.

The most common issues are those that are experienced by the most projects; thus, the higher the frequency, the more prevalent the project difficulty.

Each question addressed via a questioner for the respondent will be interpreted in the next section here below;

**4.8.1 It's difficult to effectively manage perceptions over stakeholder management**

**Table 14: Effectively managing perception**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	8.8	8.8	8.8
	Neutral/Uncertain	8	23.5	23.5	32.4
	Agree	16	47.1	47.1	79.4
	Strongly Agree	7	20.6	20.6	41.2
	Total	34	100.0	100.0	100.0

*Source: Owen Survey data ,2021*

The participant was asked about the difficulty to effectively manage perceptions over stakeholder management, about 47.1 % and 23.5 strongly agreed the difficulty against the stakeholder management.

It is also a matter of fact that 23.5% of the respondent are uncertain whether it is difficult or easy to effectively manage the perception over the stakeholder management, these participants had less know how about stakeholder management and the relevant characteristics.

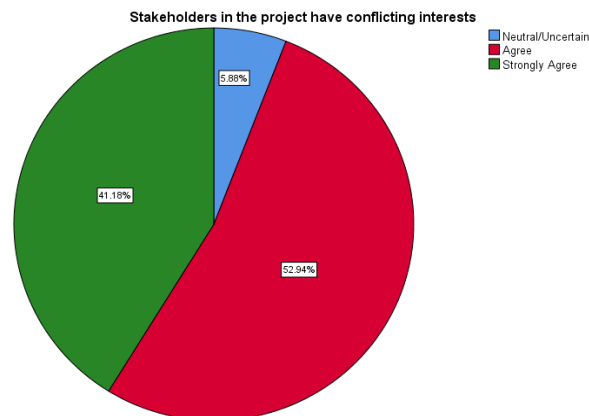
#### 4.8.2 Stakeholders in the project have conflicting interests.

As far as Gibe-3 hydro power is concerned, the project has many controversies with stakeholder inside the project and outside. most importantly, as the dam for the project was Bing built in transboundary river, the African development bank had refused the promise project funded because Kenya’s allegation against the dam under the pretext of downstream will face unprecedented catastrophe. Due to this particular glitch the project had been suspended for two years.

In light of the above scenario, the respondent are very aware that the many stakeholder in the project have conflicting interest.

As shown in the chart here below, 52.94% agreed ,41.18% are strongly agreed about the the availability of conflicting interest

**Figure 6: Stakeholder conflicting interest**



*Source: Own survey Data ,2021*

**4.8.3 The management of stakeholders' cultural differences (communications, negotiations, and decision-making) could have an effect on their management.**

The participants were asked the effect of stakeholder’s cultural difference such as communication, negotiation and decision making. The result of their response is summarized and presented as shown in the table below;

**Table 15: Stakeholder cultural differences**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	8.8	8.8	8.8
	Neutral/Uncertain	7	20.6	20.6	29.4
	Agree	18	52.9	52.9	82.4
	Strongly Agree	6	17.6	17.6	35.2
	Total	34	100.0	100.0	100.0

*Source: Own survey Data, 2021*

The result of the response in the above table indicates that, the stakeholder cultural difference affects in their management. among the main stakeholder of the Gibe-3 Hydro Power project, the EPC contractor were Italian company, while the Plant contractor is a chinses contractor which makes the communication very difficult among themselves even with the client and employer representative side. Despite the fact there is a assigned translator during the meeting and coordination among the stakeholder, such communication mechanism was not effective.

Apart from the communication barrier, for instance, cultural of debating matter among the stakeholder is also a challenging situation, for instance from salini-impregilo side, the Italian employee addresses matters in louder tone which persistently upset the feedback of Ethiopian employee from the client side and the chinse employee from the plant contractor.

In light of this, majority of the respondent agreed about the substantial cultural difference among the stakeholder has unprecedented effect.

**4.8.4 An increase in the number of stakeholders increases project stress and affects the project's level of complexity.**

**Table 16: Increase stakeholder against project stress**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	17.6	17.6	17.6
	Neutral/Uncertain	13	38.2	38.2	55.9
	Agree	12	35.3	35.3	91.2
	Strongly Agree	3	8.8	8.8	100.0
	Total	34	100.0	100.0	100.0

*Source: Own survey Data ,2021*

37.3% of the respondents agree and 8.6% are strongly to imply that the more the stakeholder, the more challenges available.

While 17.1 % of them disagree 37.1% of them are neutral.as the result prevails, there are also more respondent who are not certain whether increasing the stakeholder can affect the project complexity even if they agreed about how it stress the project.

**4.8.5 Stakeholders are hesitant to share critical details.**

**Table 17: Stakeholder hesitant to share critical details**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	11.8	11.8	11.8
	Neutral/Uncertain	5	14.7	14.7	26.5
	Agree	19	55.9	55.9	82.4
	Strongly Agree	6	17.6	17.6	100.0
	Total	34	100.0	100.0	100.0

*Source: Own survey Data ,2021*

As depicted in the table here the above 55.9% of the respondents agree that unwillingness of sharing information is also one of a challenge in managing stakeholders.11.4% of them

disagree, 17.1% of them have strongly agreed and 14.3% are neutral. During the execution of the Gibe-3 Hydro Power Project ,the for some particular issue ,EPC contractor are not always share technical information and critical incidence to other stakeholder ,it is because they are worried about sharing such critical details prone the EPC contractor to conflict with other stakeholder .

Such situation are also the some does from the plant contractor side against the EPC contractor and client side.

In view of the above, the hesitance of stakeholder on sharing critical information among the stakeholder is one of the challenge observed by respondent as well by the researcher.

**4.8.6 In stakeholder management, creating empathy among stakeholders is a challenge.**

**Table 18: Challenge of creating empathy among stakeholder**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	17.6	17.6	17.6
	Neutral/Uncertain	8	23.5	23.5	41.2
	Agree	15	44.1	44.1	85.3
	Strongly Agree	5	14.7	14.7	29.4
	Total	34	100	100.0	100.0

*Source: Own Survey data, 2021*

As the table depicted here the above, 44.1% Agree, 14.7% strongly agree respondent result were found and about 23.5% neutral with 17.6% of the respondent disagree in such a way that creating empathy among the stakeholder were a challenge in Gibe-3 hydro power Project stakeholder management scheme.

It has to be recalled that, the many presences of the stakeholder in the project allows the existence of divergent perception against the project. This leads to uncommon goals over the project which is actually for some of the project stakeholder.

#### 4.8.7 Confidence in a project is difficult to achieve.

The participants were asked Regardless of the challenges of creating confidence over the stakeholder .The result of their response is summarized and presented as shown in the table below;

**Table 19 :Challenges of Creating confidence on stakeholder**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	14.7	14.7	14.7
	Neutral/Uncertain	12	35.3	35.3	70.6
	Agree	17	50.0	50.0	50.0
	Total	34	100.0	100.0	100.0

*Source: Own Survey data, 2021*

50% % of the respondents agree to implies that to create confidence about the project on stakeholders is a challenging matter to be addressed. While 14.1 % of them disagree 35.3% of them are neutral.

The results from the respondent seams not enough to deduce that creating confidence over the stakeholder regarding the project. therefore, the researcher tries to triangulate this result with the project data analysis of the project document such as minutes of meeting records, procedures and correspondence. however no supporting document were found to reach on some conclusion in particular to this enquiry.

#### 4.8.8 Project managers face cultural communication gaps

The participants were asked whether the project manager face cultural communication gap. The result of their response is summarized and presented as shown in the table below;

**Table 20: PM face Cultural communication gap**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	23.5	23.5	23.5
	Neutral/Uncertain	7	20.6	20.6	44.1
	Agree	17	50.0	50.0	94.1
	Strongly Agree	2	5.9	5.9	100.0
	Total	34	100.0	100.0	

*Source: Own Survey data, 2021*

According to the response from the participant 50% agree and 5.9% strongly agree about cultural communication vulnerability on the project manager were responded. moreover about 23.5% of the respondent disagree about project manager prone to cultural communications gap, whilst 20.6 of the participants are uncertain about it.

# **CHAPTER FIVE: DATA ANALYSIS AND DISCUSSIONS**

## **SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION**

### **5.1 Introduction**

The aim of this study was to analyze the EPC Contractor Salini-impregilo SPA Stakeholder management practices and challenges in case of Gibe-3 Hydro Power project.

The study's objectives were to assess and examine the extent to which the EPC contractor Stakeholder management .and the challenges perceived during the implementation of Gibe-3 Hydro Power Project.

Questionnaire have been precisely prepared which suite to the general and specific objective of the research goals.

The researcher used questionnaires and data analysis tools to collect the study-related information.

About 34 questionnaires respondents were selected using the census process in which all members of the population are studied.

These response from the respondent have been analyzed, discussed, and interpreted. Furthermore, the interpretation of the data is aided by software tools such as SPPSS 26 and advanced excel.

Therefore, in this section of chapter, the researcher has anticipated to summarize the research key finding, conclusion and suggestion for realization of good stakeholder management practices.

moreover, the research was also addressing and point out the major challenges that hinder a good and result oriented stakeholder management practices, the researcher tried to summarize the key findings, conclusions and also some suggestions for better stakeholder management practice for future projects in the organization as well as recommendation for future study.

## **5.2 Summary of findings**

The findings here below depict the major shortcoming on the practice of stakeholder management done on Gibe -3 Hydro Power Project that was taken from a questionnaire and semi-structured interview assessments conducted with project personnel. The researcher classified into different portions so that to clearly understand the situation.

Regarding the assessment of stakeholder management practices in Gibe-3 Hydro power project, the researcher enquires outstanding questions that explicitly discuss the stakeholder management practices by the EPC contractor for the project under the study. moreover, the researcher has also asses and analyzed the major challenges of stakeholder management that impact the project performance.

In this section, the major finding based on the respondent response and existing data of the project will be presented as below;

### **5.2.1 Major finding on stakeholder management practice in Gie-3 Hydro Power Project**

#### **General overview**

Based on the interpretation and analysis result gathered from the respondent, here below the major finding in particular case of stakeholder management practices.

Firstly, find out that the enactment of stakeholder management in mega project like Gibe-3 Hydro power project has can immensely improve the performance of the project.

According to the questionnaires result ,88.6% of the respondent agreed the performance of the project improvement can be achieved by applying stakeholder management concept.

Secondly, notwithstanding 35.3 % respondent agreed in applying the process of stakeholder management practices, 38.1% disagreement result with triangulated analysis of existing documents and procedure of the EPC contractor results to the finding that the EPC contractor poorly applied stakeholder management practices in the project.

It has to be recalled that the author of this research is a member of management of the EPC contractor who has an informed know how about the project management which makes realistic the deduction of the finding in this particular major finding of the research.

Thirdly, in particular to the allocation of resource such funds enough funds, technical tools, experts and skilled personnel for improving the stakeholder management. the finding affirmed the EPC contractor expend unreserved resources to improve the stakeholder management practice in the project. Such finding is in line with the respondent data analysis report presented in the previous chapter.

In view of the above paragraph, the EPC contractor positive commitment in allocating resource for stakeholder management is one of the major finding of this research work.

Lastly, regarding the particular case of stakeholder management practices in Gibe-3 Hydro power project by the EPC contractor, the research results find out that EPC contractor has a good plan in place for conflict resolution plan and communication among the stakeholder which actually supported by respondent with 64.7 % of total response rate.

### **Stakeholder Identification and Engagement**

Based on the data interpretation results gained in this research, the EPC contractor failure to identify stakeholders of the project during the planning stage is one of the major finding from this research.

The respondent feedback with 76.5% disagree with 23.5% neutral response definitely assures that the EPC contractor has a big gap in this particular case aspect that shall be addressed.

It has to be noted that ,During the inception of the project, the GIBE-3hydro power project fund sponsor was intended to be secure from Africa development bank with concessional loan agreement with Ethiopian Government .however Africa development bank has failed to finance the project under the pretext that the project create various potentially adverse environmental and socio economic effects in the form of displacement, disruptions of livelihoods, and loss of assets and property of project affected persons (PAPs).for this reason the project were suspended for two years until the government secure the finance for the execution of the project .such delay cost the employer as well as the EPC contractor unprecedented resource.

In light of the above-mentioned bottleneck, one of the main reasons is the employer and EPC contractor failure to identify and secure the stakeholder such as alternative financier prior to the launching of the project which is during the planning stage of the project. if the EPC contractor

had identified and secure a stakeholder like finance sponsor for the project, the project would have delayed two years during the execution phase which costs many stakeholders a lot.

Therefore, the failure of proper identification of stakeholder at the planning stage had paramount effect on its successful execution of the project.

In view of the above and the data analysis report, it can be deduced that the EPC contractor has a major gap on identifying stakeholder at the planning stage.

Another major finding of the research belongs to the EPC contractor failure to create awareness toward the stakeholder about the project origins and planned goals .as per the analysis data depicted 70.6% of the respondent disagree and 14.7% of them are neutral ,these result finding drive to assume the EPC contractor has a gap on creating awareness of the stakeholders about the project origin and planned goals .therefore in light of the research data output such scenario is assumed to be another major finding of the research.

Lastly, in particular to the question raised by the researcher which is about whether the availability of shared understanding of the project stakeholders,58.8% of the respondent disagreed and 38.2% are neutral to respond either positive or against the enquiry. therefor the EPC constructor gap to create shared understanding of the project stakeholder is one of the major finding of this research.

### **Control stakeholder engagement**

Stakeholder control is an outstanding question raised for the respondent as far the stakeholder management practices is concerned, according to the analyzed data from the questioners most importantly about the interaction of the stakeholder,64.7% of the respondents believe that it has a visible gap. therefore, such result can be assumed major finding of this research.

In case of the response for stakeholder recognition, understanding and controlling of the aspiration response of the respondent, 61.8% of the respondents disagree, 20.6% of them are neutral, 5.9% agree.

As prescribed in the research data analysis section finding, the company is having trouble comprehending, acknowledging, and managing stakeholder expectations. If the organization

does not consider its expectation management, this type of situation will result in a lack of cooperation, which could put the project in jeopardy.

### **5.2.2 Stakeholder management Challenges**

In addition to the assessment of stakeholder management practices, the purpose of this research is to address and examine the challenges of stakeholder management in Gibe-3 hydro power project in the particular case of the EPC contractor Salini-impregilo spa.

The primary major finding regardless of SM challenges is the availability project stakeholder conflicting interest.

The respondents unanimously agreed that there was conflict of interest. However, the respondents could not clearly suggest ways that they thought this conflict interest could be resolved, though holding of meetings and awareness creation were noted as some of the ways this conflict of interest could be

As the respondent results depicts 94.12% of the respondent agreed the potential availability of the conflicting interest among the stakeholders of the project.

Being the project is a hydro power project which will be constructed at the transboundary river where there are many interested group, the availability of project stakeholder conflicting interest is a paramount. in case of Gibe-3 hydro power project the most challenging situation realized is the Kenyan Government stands against the project due to their fear that the project could harm their interest.

This particular situation hinders the timely completion of the project.

The secondary major finding of the research is attributed to the research question predominantly the effect of cultural difference among the stakeholder.

In the project , the key stakeholder such as the plant contractor (Dong Fang electric ),the consultant (ELC and Tractable ) , the EPC contractor (Salini-impregilo Spa) and several local contractors are stakeholders of the project in which the employee are from different cultural difference .for instance during the weekly coordination stakeholder meeting organized by the EPC contractor ,the outstanding issue during this event was lack of smooth communication interaction which always bring misunderstanding of the opinion and discussion .moreover

personal behavior of the employee that is raised from the cultural difference also the persisting problem observed during the implementation of the project.

In light of the above observation, the respondent agreed about the substantial cultural difference among the stakeholder has unprecedented effect and challenges the attainment of project objective in successful manner. It has to be recalled that according to the analyzed data result about 71.5% of the respondent reaffirm the challenges of cultural difference during the implementation of the project.

Lastly, the respondent affirmation of an increase in the number of stakeholders increases project stress and affects the project level of complexity is another major finding regardless of stakeholder management challenges in the project.

It has to be noted that about 45.9% of the respondent agreed the project complexity and project stress due to an increase number of stakeholders.

### **5.3 Conclusions**

This study discussed and assess stakeholder management practices SM and challenges in Gibe-3 Hydro Power Project with particular case of the EPC contractor called Salini-impregilo SPA .

This study is mainly focused on the stakeholder management of the EPC contractor in the particular project of Gibe-3 HPP.as the project comprises several stakeholders which are inaccessible for this study, this research is focused only on specific key stakeholders in the sight of the EPC contractor.

Based on the findings of the study, here below the conclusion that the researcher intended to address;

- Encompassing stakeholder management within one process, although relatively complex and time consuming, proves to be a more practical approach to addressing critical issues in projects.
- The Mega hydro power project industry is fragmented by nature. This fragmentation calls for more focus on communication. Stakeholder management ensures for comprehensive and continuous cooperation and collaboration across the interfaces, thus conquering the boundaries between stakeholders by facilitating a collaborative culture and communication throughout the project life cycle. Not doing so, may result in the project surrendering to the complex interfaces and boundaries between stakeholders.
- The study conclude that the performance of the project improvement can be achieved by applying stakeholder management practices throughout the project.
- The EPC contractor poorly applied stakeholder management practices in the project.
- Despite the study affirmed the EPC contractor positive commitment in allocating resource for stakeholder management practices, the realization of result-oriented stakeholder management is not attained, consequently the project was prone to many failures of attaining the good project performance
- The EPC contractor has a good plan in place for conflict resolution plan and communication among the stakeholder.

- In light of the study finding, The EPC contractor failure to identify stakeholders of the project during the planning stage is one of the paramount gap studied in the this research.
- The company is having trouble comprehending, acknowledging, and managing stakeholder expectations. If the organization does not consider its expectation management, this type of situation will result in a lack of cooperation, which could put the project in jeopardy.
- The availability of project stakeholder conflicting interest in the project adversely impacts the achievement project Objective.
- The substantial cultural difference among the stakeholder has unprecedented effect and challenges the attainment of project objective in successful manner.
- The study affirms of an increase in the number of stakeholders increases project stress and affects the project level of complexity.

In general, the overall result shows that stakeholder management practices were available the EPC contractor project execution procedure and guide line, however the implementation is poor and the stakeholder management challenges presented in this document were envisaged by the organization during the implementation of the project.

#### **5.4 Limitation of the study**

The study confined itself to Gibe-3 Hydro power project. The research should have covered more than one project of similar nature, so that the outcomes could be ruled to be independent of employee behavioral patterns and customs.

The community in the vicinity and other external key stakeholder such as supplier, financier of the project, Government officials and board member of the project were among the key stakeholder, however they are not able to be part of the study due to inaccessibility of sample candidate from the respective mentioned stakeholders.

## **5.5 Recommendation**

In view of the study finding, here below the recommendation to be addressed;

- The study has depicted precisely that for the successful execution of any project, all stakeholders must be taken on board and these stakeholders should be involved from the formulation period through to implementation.
- As the study was done about the construction phase of the project, it is recommended that a comparable study shall be carried out during the operation and maintenance phase in the project (station) to capture the relevance of stakeholders during this phase for some project.
- In order to establish effective stakeholder management in the project, it is recommended to consider a separate stakeholder management unit.
- It is recommended to strive for the early involvement of key stakeholders and utility representation in project planning makes a significant improvement in the mitigation of possible difficulties. It also generates valuable team spirit, collaborative understanding and common objectives, thus contributing to successful project delivery.

## **5.6 Areas for further research**

Additional studies should be carried out in other sectors to capture the importance of stakeholders in project implementation. As noted in the recommendations, the studies should start from the formulation stage through to operational stage. This will enable project implementers incorporate the stakeholders' prospects into the projects where practical and feasible.

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## Questioners

Dear Participants,

My name is Abdurahim Buser. I have been studying a master's degree in Project Management at Addis Ababa University, School of Commerce. In light of my MA thesis work, I am accompanying a research on the assessment of Project Stakeholder Management Practice and Challenges in construction of Gibe-3 Hydro Electric Power Project by EPC contractor **WE build SPA** (formerly **Salini-impregilo SPA**)

As this research is intended for academic purpose, all information received from the participant will be kept confidential, in this regard I sincerely ask participant the questionnaires here the below at their disposal..

### Instructions

- ❖ Section A comprises the general data that will aid to distinguish the biographical information of the participant. In this section, respondents are requested to fill the blank with the mark of "X" for which they think an answer for the enquiry.
  
- ❖ Section B and C comprises the enquiries that will benefit to realize the level of applying and techniques of project Stakeholder management practices and Stakeholder management challenges in the company. Please retort to the questions by putting a check mark (✓) or cross mark (X) in the answer box that corresponds to your response of stakeholder management practice corresponding column from strongly agree to strongly disagree (i.e. Strongly Agree=5, Agree=4, Not sure=3, Disagree=2, strongly Disagree=1),

## Questioners

### Instructions

- please put a tick mark (✓) in the box provided for each choice option or by encircling the option provided for each question below.

### SECTION I: GENERAL INFORMATION ABOUT RESPONDENTS

Age in Years	Educational background	Years of Experience in projects	Job Title
<input type="checkbox"/> 21-30 <input type="checkbox"/> 31-40 <input type="checkbox"/> 41-50 <input type="checkbox"/> above 50	<input type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> PHD <input type="checkbox"/> Specify, if any other----- -----	<input type="checkbox"/> < 3 <input type="checkbox"/> 3-5 <input type="checkbox"/> 6-9 <input type="checkbox"/> ≥ 10	<input type="checkbox"/> Project Manager <input type="checkbox"/> Project engineer <input type="checkbox"/> Designer <input type="checkbox"/> other, specify please – <u>Supervisor</u>

## Questioners

### Instructions

- please put a tick mark (✓) in the box provided for each choice option or by encircling the option provided for each question below.

### SECTION I: GENERAL INFORMATION ABOUT RESPONDENTS

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**SECTION II: Part II: Stakeholder management practice**

Please indicate your level of agreement with each listed statement by marking 'X'.

Keys:

Strongly Disagree =1 Disagree=2 Neutral/Uncertain=3 Agree=4 Strongly Agree=5

<b>A. Do you agree this is the general practice of stakeholder management?</b>		1	2	3	4	5
1	Project stakeholder management can improve project performance?					
2	A standardized stakeholder management Practice in Gibe-3 Hydro Power project is applied by EPC contractor					
3	A dedicated unit has been assigned for Gibe-3 HPP by EPC contractor that is responsible for stakeholder management					

4	To allocates enough funds, technical tools, experts and skilled personnel for improving project stakeholder management					
5	There is conflict resolution plan in place and communication among the project stakeholder					
<b>B. Do you agree this is the way to make stakeholder identification?</b>						
	<b>Indicator</b>					
6	All key stakeholders are identified properly at the planning stage of the project					
7	Their power and influence have been well defined					
8	Project team members have participated in identifying stakeholders					
9	Do you think there are missing stakeholders, having Significant impact?					
<b>C Do you agree that this is the way to plan stakeholder management?</b>						
	<b>Indicator</b>	1	2	3	4	5
10	Stakeholder analysis is useful for ensuring that decision-making processes are of high quality.					
11	The analysis part is done by cooperation with stakeholders themselves					

<b>D. Do you agree this is the way to manage stakeholder engagement</b>		1	2	3	4	5
12	The project's main stakeholders are well integrated.					
13	During the planning stage, all stakeholders were kept informed about the project.					
14	All main stakeholders are aware of the project's origins and planned goals.					
15	The project's main stakeholders have a shared understanding.					
<b>Do you agree that this is the way to control stakeholder engagement?</b>						
16	The formal stakeholder management (interaction between each stakeholder) is sufficient to meet the objectives.					
17	Stakeholders are updated on the project's progress on a regular basis.					
18	The level of cooperation between stakeholders is excellent.					
19	Their aspirations are recognized, understood, and controlled.					

**SECTION III: Part III: Stakeholder management Challenges**

What challenges are there in managing Stakeholders in GIBE-3 HYDRO POWER project?  
Place a [x] in the provided place to indicate your level of agreement or disagreement with each of these statements using the provided scale.

	Indicator	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
19	It's difficult to effectively manage perceptions over stakeholder management					
21	Stakeholders in the project have conflicting interests.					
22	In the management of stakeholders, a lack of good communication is a challenge.					
23	The management of stakeholders' cultural differences (communications, negotiations, and decision-making) could have an effect on their management.					
24	In stakeholder management, creating empathy among stakeholders is a challenge.					
25	Stakeholder confidence in a project is difficult to achieve.					
26	Perhaps the most noticeable expression of culture is communication. Project managers face cultural communication gaps in terms of language,					

	context, and transparency.					
27	An increase in the number of stakeholders increases project stress and affects the project's level of complexity.					
28	Stakeholders are hesitant to share critical details.					

## **Interview Guide for Project Manager and Respondents**

Kindly respond the following enquires at your disposal;

1. List out the project stakeholders in the Adjudication project.
2. How do you appraise the importance of stakeholders in the success of project?
3. Do you have a standardized/formal stakeholder management procedure for Projects?
4. How is stakeholder management done in your organization?
5. What is/are the bases for your stakeholder identification?
6. Does the project overrun (if any) have anything to do with Project Stakeholder Management (PSM)?
7. What challenges are there in managing stakeholders in your project?