



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

**ASSESSMENT AND CHALLENGES OF STAKEHOLDER  
MANAGEMENT PRACTICE IN THE CASE OF UNITED BEVERAGES  
S.C. GREENFIELD PROJECT**

**BY**  
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**A Project Work Submitted to Graduate Program in Project Management**

**Presented in Partial Fulfillment of the Requirements for Master of Arts Degree in Project  
Management**

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**MASTER OF ARTS DEGREE PROGRAM IN PROJECT MANAGEMENT**

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## **DECLARATION**

I, the undersigned, hereby declare that the work contained in this project work entitled “**ASSESSMENT AND CHALLENGES OF STAKEHOLDER MANAGEMENT PRACTICE IN THE CASE OF UNITED BEVERAGES S.C. GREENFIELD PROJECT**” is my own original work and I have not previously in its entirety or in part submitted at university for a degree.

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**STATEMENT OF CERTIFICATION**

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

Signature

Date

*Solomon Markos (PhD)*

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**ADVISOR**

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## **ABSTRACT**

*Projects stakeholder management in United Beverages S.C. face encounters from different groups with potentially conflicting needs and interests. The purpose of the study was to assess the practices and challenges of stakeholder management in the case of Greenfield project at Modjo site. Census was used to use all staff members of United beverages S.C. (30 in total) who have a direct or indirect involvement during the project. To address the objectives of this study, Structured questionnaire was used to get information from CEO, and Project Managers, whereas FGD questionnaire was used to provoke information from Project Coordinators, Frontline Staff and key resource persons. The data obtained through questionnaire has been analyzed quantitatively using descriptive statistics: frequency and percentage through SPSS version 24 software. . The stakeholder management system was found to be predominantly not institutionalized (separate organizational body). The findings present that key stakeholders were not identified at the initial stage of the project and their interests were not analyzed at the required level. Lack of proper communication strategy is also identified as the major challenge to manage the project stakeholders. The study also revealed challenges like low commitment, conflicting interests, personal benefit seeking, ineffective communication, low understanding of different issues, deviation from common agreement, unrealistic expectations and high cost of management rankly proven to have an effect on the performance of the projects in the organization. Finally, it is recommended that all stakeholder should be understand project goals and objectives, ensure strong communication, identify relevant stakeholders from the project planning, institutionalized stakeholder management and ensure full commitment from all stakeholders.*

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## **Acronyms**

**PMBOK** – Project Management Book of Knowledge

**SH** – Stakeholder

**S.C.** – Share Company

**PM** – Project Management

**UB** – United Beverages S.C.

**PSM** – Project Stakeholder Management

**SPSS** – Statistical Package for Social Science

## **CHAPTER 1: INTRODUCTION**

### **1.1 Background of the Study**

Running a successful project/program requires a detailed and careful analysis of stakeholder management. Stakeholders are the people and or institutions who affect and are affected by the outputs or inputs of a project. Stakeholders in programs and projects will need to be managed through every phase of the program/project. Stakeholder management involves process and control that must be planned and guided by underlying principles (Neil, 2011).

Every project has stakeholders who are impacted by or can impact the project in a positive or negative way. Some stakeholders may have a limited ability to influence the project's work or outcomes; others may have significant influence on the project and its expected outcomes. (PMBOK 2017). The ability of the project manager and team to correctly identify and engage all stakeholders in an appropriate way can make a differentiation between project success and failure.

The stakeholders are the central element of every project activity. Stakeholder management is becoming an integral part of project management, and business in general. Many commercial and project managers are more and more facing issues which their root causes can be directly linked to stakeholder management.

Scholars have cited “the ignorance or poor stakeholder management” as one of the key reasons responsible for project failure According to Kock et. al, 2013, findings indicate that issues within the stakeholder environment are mainly related to the stakeholder influential attributes and behaviors and their understanding and management, which require exhaustive analysis, broader knowledge, and inclusive management methodology, techniques and tools in order to effectively be assessed, utilized and managed to ensure projects well-being and success.

Bearing the mentioned points above in mind, this project work aims to fill the research gap in United Beverages S.C., Modjo Greenfield project that particularly related to stakeholder management and tries to assess the practices and challenges experienced.

## **1.2 Background of the Organization**

Ethiopia as a developing country continue to encourage foreign direct investment as a development intervention for improved import/export proportion and ensure socio-economic growth. Notably, the manufacturing industries contribution towards the total GDP, sustainable development and reducing the unemployment rate is quite significant due to the involvement of huge investment and its labor-intensive nature.

United Beverages S.C. (UB) is a joint venture company established by a registered international company in Mauritius called United Africa Beverages and local based company called Kangaroo Plast PLC, in the year 2016. The company aim was to manufacture alcoholic drinks and its subscribed capital at the initial stage was ETB 5,475,000.00 and the current capital reached over 1.5 Billion Birr.

The company(UB) finalized its Greenfield project at Modjo city and joins the vast Ethiopian beer market recently. It has the capacity of producing 1.5Mil hectoliter per annum. It also creates a job opportunity for over 300 permanent and temporary employees.

## **1.3 Statement of the Problem**

Project Stakeholder Management includes the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution(PMBOK guide,2013). Stakeholders are people who invested in the project and who will be affected by the project at any point along the way, and their input can directly impact the outcome(PMBOK guide,2013).

There are numerous literatures about critical success factors that can be identified as being crucial to the successful implementation of stakeholder management. Jergeas et al. (2000) identified two aspects of improvements for managing stakeholders, which are: “communication with stakeholders and setting common goals, objectives and project priorities”. Landin (2000) considers “the long-term performance of any construction and its ability to satisfy stakeholders” depends on decisions made and the care taken by decision-makers in stakeholder communication. Aaltonen et al. (2008) state that the key issue in project stakeholder management is managing the relationship between the project and its stakeholders. Furthermore, Exploring and understanding of

stakeholders' needs, predicting the influence of stakeholders accurately, assessing attributes (power, urgency & proximity), compromising conflicts among stakeholders will all help to formulate appropriate strategies to manage stakeholders effectively.

United Beverages S.C is a joint venture company established between an Ethiopian & foreign investors based in Mauritius, which recently constructed a Greenfield brewing project in Modjo city and planned to join the rising demand of the Ethiopian beer market. In this project, started 5 years ago, many different challenges were experienced particularly in relation to stakeholder management. Based on a preliminary meeting held with seven project team members of United Beverages Greenfield project on April 20, 2019 they have stated that the below problems have been faced during the life cycle of the project.

- Lack of proper and standard communication system between project team and stakeholders.
- Timely decisions are not undertaken and lack flexibility in the process.
- Lack of common understanding about the project deliverables among stakeholders.
- Cultural and political differences were not analyzed at the expected level.

In this company, the problem worth investigating issue most attention worthy problem encountered is project overrun - both cost and schedule. This project work tries to investigate the surfaced problems related to stakeholder management in the context of the specific company considered in this study.

As a matter of fact, the need for the study to examine stakeholder management practices on Greenfield project of United beverages has been found crucial and timely to fill the research gap in the problems that has been affected the effectiveness of the stakeholder management practice.

## **1.4 Objectives of the Study**

### **1.3.1. General objective**

The main objective of this study is to assess the practices and challenges of stakeholder management in United Beverages S.C., jointly owned by local and foreign investors, and evaluate stakeholder's involvement on the projects undertaken.

### **1.3.2. Specific objectives**

- To determine the stakeholders' interest, responsibilities, evaluation of their attitude and by their objectives.
- To assess the stakeholder management practices in United Beverages S.C.
- To review stakeholder's important decision-making process in terms of speed & relevance.
- To examine the challenges of stakeholder management in UB Greenfield project.
- To ascertain the critical success factors for joint projects stakeholder management.

### **1.5 Research Questions**

1. What are the types, responsibilities and interests of Stakeholders in greenfield project of United Beverages S.C?
2. How the stakeholders communicate with each other during the project
3. What stakeholder management practices has been employed in the greenfield project `of United Beverages S.C?
4. What challenges are there in managing Stakeholders in greenfield project of United Beverages S.C?

### **1.6 Significance of the Study**

This study will give insights to understand the importance of stakeholder management protocol in this designated project of the United Beverage S.C. and assess the effectiveness of the protocol used to carry out this project. Most importantly, this project strived to fill the knowledge gap pertaining to stakeholders' management protocol and made every possible effort to enhance the success of future similar projects in Ethiopia. Every project management ought to struggle to keep project stakeholders satisfied as it is the only way to secure their support for the successful accomplishment of projects. In view of this reality of projects, there is no doubt that, stakeholders' management practice in Ethiopia should be supported with genuine researches of this kind to make our projects successful in terms of hitting its objectives and reaching its broader goals.

### **1.7 Scope & Limitations of the Study**

The project work focused only on one specific project i.e. case study in United Beverages S.C. Modjo Greenfield project and the outcome may not show the result of all projects. But it can be

used as a comparison for similar project papers. Also, it is only focused on the stakeholder management practice. Other knowledge areas and project components not addressed in this project work.

### **1.8 Organization of the Study**

This study was composed of five chapters. The first chapter deals with background of the study the second chapter deals with review of related literature, the third chapter focused on research methodology and research design, the fourth chapter emphasized on data presentation and analysis and the last chapter five deals with summary of basic finding, conclusion and recommendation of the research.

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

### **2.1 Project and Project Management**

According to PMBOK (2017) defines project as a temporary endeavor undertaken to create a unique product, service or result. Temporary means that every project has a definite end; Unique means that the product or service is different in some distinguishing way from all similar products or services. Where, the temporary nature of projects indicates that a project has a definite beginning and end. Kerzner (2009) similarly defines it as a series of activities and tasks that have a specific objective to be completed within a certain specification, have a defined start and end dates, have funding limits and consume human and non-human resources.

The basic purpose for initiating a project is to accomplish specific goals. Managers are faced with the problem of putting together and directing large temporary organizations while being subjected to constrained resources, limited time schedules, and environmental uncertainty. Richman (2006) states project management stems from the need to plan and coordinate large, complex, multifunctional efforts. PMBOK(2004) defines project management as "... application of knowledge, skills, tools and techniques to project activities to meet project requirements. Project management is accomplished through the application and integration of the project management processes of initiating, planning, executing, monitoring and controlling, and closing".

Kerzner (2009) states that project management is about planning, organizing, directing, and controlling of company resources for a relatively short-term objective that has been established to complete specific goals and objectives and is about achieving time, cost and quality targets, within the context of overall strategic and tactical client requirements.

### **2.2 Stakeholder and Stakeholder Management**

#### **2.2.1 Concept of stakeholder**

The term "stakeholder" is defined as "any group or individual who can affect or is affected by the achievement of the project's objectives". This definition is often cited by most researchers from Freeman (1984) as the foundation of stakeholder management, and it is characterized as being one of the broadest, in that it can include virtually anyone.



Cleland (1986) provided a narrower view defining project stakeholder as individuals or institutions that are either under or beyond project manager's authority, and directly or indirectly get affected by the project's outcome and have share or stake or an interest in project. PMBOK guide (PMI, 2013) defines stakeholders as "individual, group, or organization who may affect or be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project, who may be actively involved in the project or have interests that may be positively or negatively affected by the performance of completion of the project". Littau, Jujagiri, and Adlbrecht (2010) conducted a meta-analysis study on stakeholder theory in project management discipline; authors found that the PMBOK guide definition has become the dominant stakeholder definition for the field of project management as of 2006 onwards. The definition adopted by this research expands on type III defining project stakeholder as individual(s), or group(s), or organization(s) who have property rights, or an interest (self or moral) or human rights in the project, and can affect or be affected by the project activity or its outcome. This definition departs from the networked and dynamic environment of stakeholder community giving voice to all may count.

### **2.2.2 Stakeholder Management**

Stakeholder Management is essentially stakeholder relationship management as it is the relationship and not the actual stakeholder groups that are managed (Friedman and Miles 2006). Stakeholder management is a critical component to the successful delivery of any project, program or activity. A stakeholder is any individual, group or organization that can affect, be affected by, or perceive itself to be affected by a program.

Effective Stakeholder Management creates positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives. Stakeholder management is a process and control that must be planned and guided by underlying principles. Stakeholder management within businesses, organizations, or projects prepares a strategy utilizing information (or intelligence) gathered during the various processes. (Wikipedia, the free encyclopedia)

As we can see, stakeholders vary in influence, expectations, and interests and all have the potential to impact the project. The project manager's goal is to leverage stakeholder relationships and build coalitions that foster project success.

Warning signs that stakeholder management is suffering include missed deadlines, scope creep, confusion, conflict, and churning. Often this is indicative of competing priorities, a lack of focus, or a lack of commitment. In discussing these issues with project managers, I always ask two questions: 1) what is the communications plan (how is information shared)? And, 2) what is your project governance structure (how do people plug in, decisions get made, issues get escalated)? (Friedman and Miles 2006)

Often there is more than one major stakeholder in the project. An increase in the number of stakeholders adds stress to the project and influences the project's complexity level. The business or emotional investment of the stakeholder in the project and the ability of the stakeholder to influence the project outcomes or execution approach will also influence the stakeholder complexity of the project. In addition to the number of stakeholders and their level of investment, the degree to which the project stakeholders agree or disagree influences the project's complexity.

Think about everyone involved in the project. But what gets more challenging is all the 'outsiders' who may be impacted by the activity and who might have an interest. This is why Stakeholder Management is so important. Stakeholder management supports an organization in achieving its strategic objectives by interpreting and influencing both the external and internal environments and by creating positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives.

The advantages of Stakeholder Management include eliminating conflicting interests among stakeholders, reducing the pressure of management to produce short-term results, reducing the costs associated with a high turnover among stakeholders, and providing the firm with committed stakeholders in an environment characterized by increasing competition (Wikipedia, 2017).

## **2.3 Project Stakeholders**

Sherri (2007) identifies the following lists as a project stakeholders:-

**A) Top management:** Top management may include the president of the company, vice-presidents, directors, division managers, the corporate operating committee, and others. These people direct the strategy and development of the organization. On the plus side, you are likely to have top management support, which means it will be easier to recruit the best staff to carry out the project, and acquire needed material and resources; Also, visibility can enhance a project

manager's professional standing in the company. On the minus side, failure can be quite dramatic and visible to all, and if the project is large and expensive (most are), the cost of failure will be more substantial than for a smaller, less visible project. Some suggestions in dealing with top management are:

- Develop in-depth plans and major milestones that must be approved by top management during the planning and design phases of the project.
- Ask top management associated with your project for their information reporting needs and frequency.
- Develop a status reporting methodology to be distributed on a scheduled basis.
- Keep them informed of project risks and potential impacts at all times.

**B) The project team:** The project team is made up of those people dedicated to the project or borrowed on a part-time basis. As a project manager, you need to provide leadership, direction, and above all, the support to team members as they go about accomplishing their tasks. Working closely with the team to solve problems can help you learn from the team and build rapport. Showing your support for the project team and for each member will help you get their support and cooperation. Here are some difficulties you may encounter in dealing with project team members:

- Because project team members are borrowed and they don't report to you, their priorities may be elsewhere.
- They may be juggling many projects as well as their full-time job and have difficulty meeting deadlines.
- Personality conflicts may arise. These may be caused by differences in social style or values or they may be the result of some bad experience when people worked together in the past.  You may find out about missed deadlines when it is too late to recover.

**C) Manager of the project manager:** Typically, the boss decides what the assignment is and who can work with the project manager on projects. Keeping your manager informed will help ensure that you get the necessary resources to complete your project. If things go wrong on a project, it is

nice to have an understanding and supportive boss to go to bat for you if necessary. By supporting your manager, you will find your manager will support you more often.

**D) Peers:** Peers are people who are at the same level in the organization as you; and may or may not be on the project team. These people will also have a vested interest in the product. However, they will have neither the leadership responsibilities nor the accountability for the success or failure of the project that you have. Peer support is essential. Because most of us serve our self-interest first, use some investigating, selling, influencing, and politicking skills here.

**E) Resource Managers:** Because project managers are in the position of borrowing resources, other managers control their resources. So, their relationships with people are especially important. If their relationship is good, they may be able to consistently acquire the best staff and the best equipment for their projects. If relationships aren't good, they may find themselves not able to get good people or equipment needed on the project.

**F) Internal Customers:** Internal customers are individuals within the organization who are customers for projects that meet the needs of internal demands. The customer holds the power to accept or reject your work. Early in the relationship, the project manager will need to negotiate, clarify, and document project specifications and deliverables. After the project begins, the project manager must stay tuned in to the customer's concerns and issues and keep the customer informed.

**G) External Customers:** External customers are the customers when projects could be marketed to outside customers. In the case of Ford Motor Company, for example, the external customers would be the buyers of the automobiles. Also, if you are managing a project at your company for Ford Motor Company, they will be your external customer.

**H) Government:** Project managers working in certain heavily regulated environments (e.g., pharmaceutical, banking, or military industries) will have to deal with government regulators and departments. These can include all or some levels of government from municipal, provincial, federal, to international.

**I) Contractors, Subcontractors and Suppliers:** There are times when organizations don't have the expertise or resources available in-house and work is farmed out to contractors or subcontractors. This can be a construction management foreman, network consultant, electrician, carpenter, architect, or anyone who is not an employee. Managing contractors or suppliers requires

many of the skills needed to manage full-time project team members. Depending on the project, managing contractor and supplier relationships can consume more than half of the project manager's time. It is not purely intuitive; it involves a sophisticated skill set that includes managing conflicts, negotiating, and other interpersonal skills. (Jackson, Sherri (2007))

## **2.4 Stakeholder Management Processes**

Project Stakeholder Management includes the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution. PMBOK, 2013 listed out the below four stakeholder management processes;

**A) Identify Stakeholders**—The process of identifying project stakeholders regularly and analyzing and documenting relevant information regarding their interests, involvement, interdependencies, influence, and potential impact on project success.

**B) Plan Stakeholder Engagement**—The process of developing approaches to involve project stakeholders based on their needs, expectation, interests, and potential impact on the project.

**C) Manage Stakeholder Engagement**—The process of communicating and working with stakeholders to meet their needs and expectations, address issues, and foster appropriate stakeholder engagement involvement.

**D) Monitor Stakeholder Engagement**—The process of monitoring project stakeholder relationships and tailoring strategies for engaging stakeholders through the modification of engagement strategies and plans.

Researchers described project stakeholder management as a process in which project team facilitates the needs of stakeholders to identify, discuss, agree, and contribute to achieve their objectives (Brammer & Millington, 2004). Similarly, (Kerzner, 2011), describes stakeholder relationship management through six continues processes, including “identifying stakeholders, analyzing, engaging, identifying information flow, enforcing stakeholder agreement, and stakeholder debriefing.” Additionally, from the base-organization viewpoint, Eskerod and Jepsen (2013) suggested three processes of stakeholder identification, assessment, and prioritization.

## 2.5 Stakeholder Identification

According to Peter (2008), the first step in developing Project Stakeholder Management strategy is to identify the stakeholders. These are people or organizations that are actively involved in a project, or whose interests may be positively or negatively affected by execution or completion of the project. Overlooking negative stakeholders can increase the likelihood of failure. Whatever list you produce will need to be re-visited during the project lifecycle as new information becomes available and as the project progresses. In order to start the identification process, we 'll need the following inputs:

- Project Charter
- Procurement documents
- Company information
- Lessons learned from previous projects

The output of this exercise will simply be a listing of stakeholders, with no analysis at this stage. He went further to suggest an initial identification exercise by the Project Manager, followed by exercises with the project team in the form of brainstorming or other group-facilitation methods.

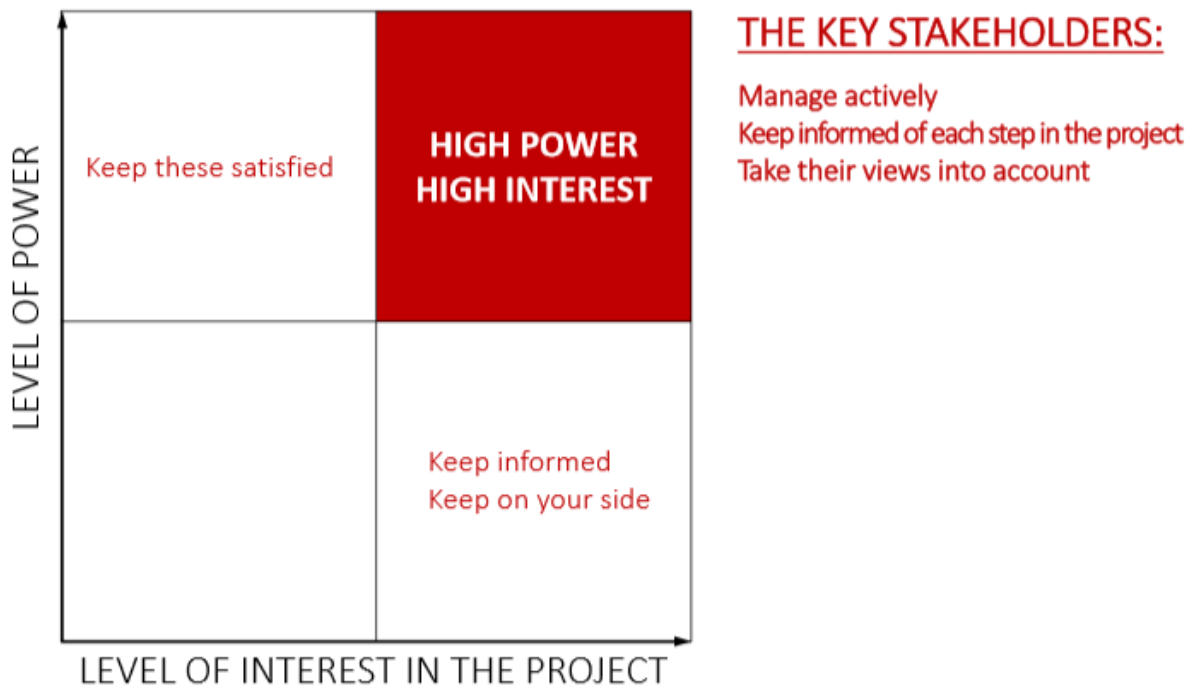
When identifying stakeholders, it is not enough to focus on the formal structure of the organization. Rather it is necessary to have a look at informal and indirect relationships too. A useful model for this purpose is to visualize the stakeholder environment as a set of inner and outer circles. The inner circles stand for the most important stakeholders who have the highest influence (Dagmar, 2001).

The International Financial Corporation (2007) also emphasizes that, the first step in the process of stakeholder engagement is stakeholder identification-determining who your project stakeholders are, and their key groupings and sub-groupings. (Remember that certain stakeholder groups might be pre-determined through regulatory requirements). From this flow of stakeholder analysis, a more in-depth look at stakeholder group interests, how they will be affected and to what degree, and what influence they could have on your project. The answers to these questions will provide the basis from which to build your stakeholder engagement strategy. Here it is important

to keep in mind that not all stakeholders in a particular group or sub-group will necessarily share the same concerns or have unified opinions or priorities.

Roeder (2013) states that the key stakeholders in the project should be identified based on the two most important variables, power & interest. The Author tries to relate the two variables on the power-interest grid diagram as below:

**Chart 2.1: Stakeholders Power-Interest Relationship**



The parameters to throw in the matrix are power (the level of a stakeholder's authority); interest (the level of concern regarding the project outcomes); influence (the level of active involvement in the project; impact (the ability to effect changes to planning or execution) and project knowledge.

The identification process focuses on identification of stakeholders. This includes both stakeholders that are involved in the project and potential stakeholders. There are several techniques that can support this work, e.g., interviews with experts, brainstorming in group meetings, and the use of checklists. What one team member identifies as a potential stakeholder may not be obvious for others. This identification procedure should, therefore, take place in a

group of participants with different background, which will also improve the support and ownership to the stakeholder management process.

The new approach begins by identifying stakeholders according to their connection to the organization. It then proceeds to prioritize stakeholders by their attributes, their relationship to the issue, and ultimately their place in the communication strategy. The Linkages Model, which dates to 1984, is used to identify stakeholders by their relationship to the organization: functional linkages (e.g., suppliers provide raw materials while customers receive a company's output), enabling linkages (investors and a favorable regulatory climate make business possible), normative linkages (industry groups and competitors influence the business environment), and diffused linkages (non-governmental organizations and media also can have a strong influence, even without a well-defined connection (Ovatt, 2006).

Putting all of this together, Rawlins (undated) cited in Ovatt (2006) synthesizes a new model that offers the prospect of prioritizing stakeholders in a way that is especially relevant for communications managers - by communication strategy.

## **2.6 Stakeholder Analysis**

Stakeholder Analysis is a technique used to identify and assess the influence and importance of key people, groups of people, or organizations that may significantly impact the success of your activity or project (Friedman and Miles 2006). Achieving a project's objectives takes a focused, well-organized project manager who can engage with a committed team and gain the support of all stakeholders. Building strong, trusting relationships with interested parties from the start can make the difference between project success and failure. Merrie Barron and Andrew Barron states take the time to identify all stakeholders before starting a new project. Include those who are impacted by the project, as well as groups with the ability to impact the project. Then, begin the process of building strong relationships with each one using the following method.

- **Analyze stakeholders:** Conduct a stakeholder analysis, or an assessment of a project's key participants, and how the project will affect their problems and needs. Identify their individual characteristics and interests. Find out what motivates them, as well as what provokes them. Define roles and level of participation and determine if there are conflicts of interest among groups of stakeholders.



- **Assess influence:** Measure the degree to which stakeholders can influence the project. The more influential a stakeholder is, the more a project manager will need their support. Think about the question, “What’s in it for them?” when considering stakeholders. Knowing what each stakeholder needs or wants from the project will enable the project manager to gauge his or her level of support. And remember to balance support against influence. Is it more important to have strong support from a stakeholder with little influence, or lukewarm support from one with a high level of influence?
- **Understand their expectations:** Nail down stakeholders’ specific expectations. Ask for clarification when needed to be sure they are completely understood.
- **Define “success”:** Every stakeholder may have a different idea of what project success looks like. Discovering this at the end of the project is a formula for failure. Gather definitions up front and include them in the objectives to help ensure that all stakeholders will be supportive of the final outcomes.
- **Keep stakeholders involved:** Don’t just report to stakeholders. Ask for their input. Get to know them better by scheduling time for coffee, lunch, or quick meetings. Measure each stakeholder’s capacity to participate and honor time constraints.
- **Keep stakeholders informed:** Send regular status updates. Daily may be too much; monthly is not enough. One update per week is usually about right. Hold project meetings as required, but don’t let too much time pass between meetings. Be sure to answer stakeholders’ questions and emails promptly. Regular communication is always appreciated – and may even soften the blow when you have bad news to share.

By conducting a stakeholder analysis, project managers can gather enough information on which to build strong relationships – regardless of the differences between them. For example, the needs and wants of a director of marketing will be different from those of a chief information officer. Therefore, the project manager’s engagement with each will need to be different as well. Stakeholders with financial concerns will need to know the potential return of the project’s outcomes. Others will support projects if there is sound evidence of their value to improving operations, boosting market share, increasing production, or meeting other company objectives.

Palmer (2004) mentions the stakeholder analysis phase should start from identification. First, you must identify who your stakeholders are. Just because they are important in the organization does not necessarily mean they are important to your project. Just because they think they are important does not mean they are. Just because they don't think they need to be involved does not mean they do not have to be. The typical suspects: your manager, your manager's manager, your client, your client's manager, any SME (subject matter expert) whose involvement you need, and the board reviewing and approving your project. Note that in some situations there are people who think they are stakeholders. From your perspective they may not be but be careful how you handle them. They could be influential with those who have the power to impact your project. Do not dismiss them out of hand.

Second, you need to determine what power they have and what their intentions toward your project are. Do they have the power to have an impact on your project? Do they support or oppose you? What strategies do you follow with them?

Third, what's the relationship among stakeholders? Can you improve your project's chances by working with those who support you to improve the views of those who oppose you? The below table summarizes the options based on an assessment of your stakeholders' potential for cooperation and potential for threat.

**Chart 2.2: Stakeholders Cooperation-Threat Relationship**

		Potential for Threat	
		Low	High
Potential for Cooperation	Low	Type: Marginal Strategy: Monitor	Type: Non-Supportive Strategy: Defend
	High	Type: Supportive Strategy: Involve	Type: Mixed Blessing Strategy: Collaborate

Finally, a key piece of your stakeholder management efforts is constant communication to your stakeholders. Using the information developed above, you should develop a communications plan that secures your stakeholders' support.

**Table 2.1: Stakeholder Analysis Template**

Project Scope:

Key Managers:

Communication Goals:

Project Team:

Other Stakeholders:

Communication Date	Deliverable	Audience	Message	Action Item	Plan	Status

## 2.7 Stakeholder Engagement and Communication

Today, the term-stakeholder engagement is emerging as a means of describing a broader, more inclusive, and continuous process between a company and those potentially impacted that encompasses a range of activities and approaches, and spans the entire life of a project (IFC, 2007) This definition encompasses the entire process of stakeholder management in any project management.

However, stakeholder engagement as a process is the process by which a firm's stakeholders engage in dialogue to improve a firm's decision-making and accountability toward corporate social responsibility (CSR) and achieving the triple bottom line. Stakeholder engagement works to take into account the concerns and objectives of a firm's stakeholders in its decisions and the varying perspectives, priorities, and limitations of different parties involved.

The practitioners in stakeholder engagement are often businesses, non-governmental organizations labor organizations, trade and industry organizations, governments, and financial institutions. The company most often initiates open, two-way dialogue seeking understanding and solutions to issues of mutual concern. Stakeholder engagement occurs when a company wants to consider the views and involvement of someone or some group in making and implementing a business

decision. Stakeholder engagement must occur when a company truly wants input from groups that will be affected by the company's decision.

According to IFC (2007), stakeholder engagement does not seek to develop the project/business requirements, solution or problem creation, or establishing roles and responsibilities but rather primarily focused at getting to know and understand each other, at the Executive level. Engagement is the opportunity to discuss and agree expectations of communication and, primarily, agree a set of Values and Principles.

## **2.8 Stakeholder Management Benefits**

The reasons for performing a stakeholder management process are several: First, to become acquainted with the projects stakeholders; second, it is important for ensuring the balance between contribution and reward; third, it is a basis for managing the stakeholders; Fourth, it is a basis for deciding who should be involved in determining the project goals and how success should be measured (Karlsen, 2002).

The project environment is complex and changing (Gilbert, 1983). If stakeholder management is not adequately addressed in the project, this can mean unexpected problems and uncertainty to the project caused by stakeholders. For instance, a clear and comprehensive definition of project success and failure may not be determined, and consequently the project manager may strive to meet goals that were never intended by the stakeholders (Meredith and Mantel, 2000).

Highlighting more on Project environment, Peter (2008) also said that Project stakeholder management involves gaining an understanding of the social and political environment in which your project is taking place. He went further to add that, - Now that's easy to say, but more difficult to find out. Luckily, there are ways to get a good idea about what's going on in a particular company, region, or country before you embark on your project.

What can stakeholders do?

- Always find fault with deliverables
- Not provide feedback on interim deliverables and milestones
- Delay the approval process

- Not provide any direction
- Steal your team members
- Undermine your authority with politics
- Make a case against the project in public
- Start a competing project

Results from earlier research have identified that in many projects, management of stakeholders lacks strategies, plans, and methods (Karlsen, 1998). Stakeholder management is often characterized by spontaneity and causal actions, which in some situations are not coordinated and discussed within the project team. The result of this practice is often an unpredictable outcome. To address this, Peter (2008) said, -Project Managers are also Project Stakeholders, and therefore have a responsibility to improve themselves; you must be self-directed under changing and unclear conditions. You cannot hope to stabilize the world around you, but you must stabilize yourself.

## **2.9 Stakeholder Management Challenges**

Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources (Peter, 2008)

Whilst traditional Project managers focuses on tools and templates that allow us to complete the creation of the products or services being delivered, the discipline of Stakeholder management focus on human dynamics; managing relationships and communications the deployment and manipulation of human resources, financial resources, technological resources, and natural resources (Peter, 2008)

Tuchman's account in her book, -The Match of folly identifies some challenges in stakeholder management when she wrote that, ignoring the interests of, and information held by, key stakeholders and 'Three outstanding attitudes: obliviousness to the growing disaffection of constituents, primacy of self-aggrandizement, and the illusion of invulnerable status are persistent aspects of folly'. Nutt (2002) analyzed 400 strategic decisions and revealed that half of the

decisions 'failed' -that is they were not implemented, only partially implemented or otherwise produced poor results -in large part because decision makers failed to attend to interests and information held by key stakeholders.

Additional problems and uncertainty caused by stakeholders that contribute to project failure include poor communication, inadequate resources assigned to the project, changes in the scope of work, unfavorable news about the project in the press, and negative community reactions to the project (Kalsern, 2002).

Whilst traditional Project managers focuses on tools and templates that allow us to complete the creation of the products or services being delivered, the discipline of Stakeholder management focus on human dynamics; managing relationships and communications (Peter, 2008)

According to Neil (2011), stakeholder management is a process and control that must be planned and guided by underlying Principles. Stakeholder Management, within business or projects, prepares a strategy utilizing information (or intelligence) gathered during the following common processes: Stakeholder Identification, Stakeholder Analysis, Stakeholder Engagement, Stakeholder Matrix, and Stakeholder Communication. Project stakeholder management is a key stakeholder skill as your stakeholders can either make or break your project.

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A study carried out by Karlson (1998) revealed that stakeholders create both problems and uncertainty regarding project execution. From the research, such problems and uncertainties are caused by-...decisions that were not taken,-... unexpected changes in specifications,-... the client was too focused on details,-... the stakeholder did not understand his or her role in the project,...political guidelines that were unexpected changed, and-...the end user did not know his or her needs. According to Kastner (2010) there are three major sources of Stakeholder Management challenges:

- Unclear Stakeholders- those who do not clearly articulate enough or who are not open and honest about their interests and expectations
- Unidentified Stakeholders- those who were not identified early in the project
- Unreasonable Stakeholders- those who do not embrace what some refer to as reason and the laws of physics

Kastner (2010) goes on to expatiate on these three challenges and how a good project manager will address them;

#### Unclear Stakeholders

Now there's a big difference between a stakeholder who does not articulate their expectations well and the stakeholder who is not totally open about their expectations. But the impact is the same: you are unclear about their true expectations of the project.

Case 1: Inarticulate stakeholders - The successful Project Manager will address the inarticulate stakeholder issue by using the Stakeholder Expectation matrix. The Expectation Matrix allows the successful Project Manager to- read back to the inarticulate stakeholder what the PM heard about the stakeholders' expectations and how those expectations will be communicated to all the other identified stakeholders. At this point, when the project manager seeks confirmation, the inarticulate stakeholder is very likely to see the discrepancy between what they meant and what was written, and the PM and stakeholder should use this opportunity to clarify and document the correct expectations.

If the stakeholder doesn't catch the misunderstanding at this point, then yes, those incorrect expectations will be carried forward into the project, because the inarticulate stakeholder will have signed off on the wrong expectations. Later, when the stakeholder identifies that there's an issue, the successful Project Manager will (first, scratch their head, and then) ask the inarticulate stakeholder to refer to the stakeholder-approved matrix and ask for their help in identifying a reasonable corrective action to re-align any new expectations with the approved baseline expectations.

Case 2: Less than candid stakeholders - Why might a stakeholder be less than 100% open and candid about their expectations? There can be many reasons for this. When a stakeholder is

intentionally unclear about interests and expectations, the stakeholder may have issues based upon prior experiences. Maybe the stakeholder has previously had a less than stellar experience with a Project Manager due to issues.

## **2.10 Best Practices in Stakeholder Management**

Project managers should try to manage stakeholders with corporate social, economic, legal, environmental and ethical responsibilities (Yang et al, 2008).

### **Defining project missions**

The identification of a clear mission for the projects at different stages is widely considered to be essential for the effective management of stakeholders (Winch 2000). Before every activity of stakeholder management, the project manager should have a better understanding of the tasks and objectives at a particular stage of the project lifecycle, including the issues of cost, schedule, budget, etc. The complexity of client organizations and the social, economic, and regulatory environment in which the projects operate means that “the strategic definition of the project mission is inevitably politicized” (Winch 2000). Using interviews, Jergeas et al. (2000) proved further that “setting common goals, objectives and project priorities” is significant for improving stakeholder management.

### **Identifying stakeholders**

Most of scholars studying stakeholder management have pointed out the significant importance of identifying stakeholders. Though the project stakeholders can be divided into different types according to various criteria (Pinto 1998), the question of “who are stakeholders?” (Frooman 1999) should be answered first before classifying and managing stakeholders.

### **Understanding the area of stakeholders’ interest**

There are various stakeholders’ interests due to the complex nature of projects (Cleland 1999). Freeman et al. (2007) believe that identifying stakeholder interests is an important task to assess stakeholders, and they listed stakeholders’ interests including product safety, integrity of financial reporting new product services, and financial returns. Similarly, Karlsen (2002) also presents one possible consideration to evaluate stakeholders “his or her area of interests in the project”.



### **Exploring stakeholders' needs and constraints in projects**

Exploring stakeholders' needs and constraints in projects means to anatomize stakeholders' area of interests and list the detailed issues stakeholders' concerns (Freeman et al. 2007). During the project process, all stakeholders' needs should be assessed "so that a satisfactory and realistic solution to the problem being addressed is obtained" (Love et al. 2004). Homoplastically, Kocak (2003) clarifies that stakeholders' needs can provide an indication of the stakeholder groups' concerns, the problems the project team faces, and stakeholders' requirements of the projects.

### **Assessing stakeholders' behavior**

The capacity and willingness of stakeholders to threaten or cooperate with project teams should be measured during stakeholder management process. Stakeholders' behavior can be sorted into 3 categories: observed behavior, cooperative potential, and competitive threat (Freeman 1984). Freeman et al. (2007) state that project managers need to clearly understand the range of stakeholder reactions and behaviors.

### **Predicting the influence of stakeholders**

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

### **Assessing attributes of stakeholders**

The attributes of stakeholders need to be assessed by project teams properly. (Mitchell et al. (1997) proposed 3 attributes in their study, namely, power, urgency, and legitimacy. Power means the ability to "control resources, create dependencies, and support the interests of some organization members or groups over others". Bourne and Walker (2005) believe that successful project managers should have the ability to understand the "invisible power" among stakeholders. Urgency is "the degree to which stakeholder claims call for immediate attention" (Mitchell et al. 1997). Legitimacy is "a generalized perception or assumption that the actions of an entity are

desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman 1995). Bourne (2005) considers the proximity as an important attribute of stakeholders, which can be rated from “directly working in the project” to “remote from the project”. Analyzing and estimating these 3 attributes enhance the understanding of project managers on stakeholders.

### **Analyzing conflicts and coalitions among stakeholders**

Conflict occurs whenever disagreements exist in a social situation (Schermerhorn et al. 2003). Analyzing the conflicts and coalitions among stakeholders is an important step for stakeholder management (Freeman 1984). Types of conflict include “substantive conflict and emotional conflict” (Schermerhorn et al. 2003). Project managers should know the potential conflicts stemming from divergent interests (Frooman 1999). Project managers should also search for possible coalitions among stakeholders. The groups, who share objectives, stakeholders or interests about the project, can be more likely to form coalitions.

### **Promoting a good relationship**

Successful relationships between the project and its stakeholders are vital for successful delivery of projects and meeting stakeholder expectations (Cleland 1986). Trust and commitment among stakeholders can be built and maintained by an efficient relationship management.

### **Formulating appropriate strategies**

Schwager (2004) points out that the central question of stakeholder management was “what are the strategies that organizations use to address stakeholders?”; he stated that there are different types of the strategies, but basically the stakeholder management strategy is the attitude how the project management team treats different stakeholders. In order to identify different kinds of strategies which are enacted by organizations as responses to the demands presented by external stakeholders, through an empirical analysis of 4 different projects, Aaltonen and Sivonen (2009) explained the use and emergence of the “response strategies”. All these scholars have proved the importance of formulating appropriate strategies to deal with stakeholders.

### **Ensuring effective communication**

Communication is essential for maintaining the support and commitment of all stakeholders. Effective, regular, and planned communication with all members of the project community is necessary for project success (Briner et al. 1996). In addition, Weaver (2007) believes project managers should be highly skilled negotiators and communicators capable of managing individual stakeholder's expectations and creating a positive culture change within the overall organization.

## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

This chapter presents the methodology that was used in the study. The chapter specifically presents the project location, research design, type and source of data, data gathering instruments, population, sampling design, method of data analysis and presentation, validity and reliability of the data and finally ethical consideration of the project work.

### **3.2 Research Design**

The research design was a descriptive type which describes a practice on a particular project at one point in time. It also includes a background of what the study is about; this study is mainly a survey one that combined secondary data sources with primary data was collected from the field using structured and semi-structured questionnaire. Creswell (2009), state that as there is more insight to be gained from the combination of both qualitative and quantitative research than either form by itself. Their combined use provides an expanded understanding of research problems. Thus, with the intention of getting the general picture of the practice of stakeholder management, this project work used descriptive research design as the study reveals the practices of project stakeholder management in United Beverages. Descriptive design is concerned with describing the characteristics and nature of a particular situation. The questions of the research questionnaire were constructed based on literature review of critical success factors of stakeholder management for projects.

### **3.3 Type and Source of Data**

In order to get appropriate data, the study employed both primary and secondary sources of data. As a primary source of data semi-structured interview and close ended questionnaire was employed which is helpful in answering questions related to the objectives study. As a secondary source of data document analysis such as reports, records of the project, books, articles, journals and online information was investigated to supplement and to serve as the bases for the instruments and findings of the study.

### **3.4 Data Gathering Instruments**

The research is carried by self-administered questionnaires to collect the response. In order to gather firsthand information, questionnaire was prepared and administered for employees who are responsible to planning, implementing, coordinating, managing and supporting the overall projects implementation of the organization based on the review of related literature important to the subject of the study. Based on which this study employed review of project and stakeholder documents and questionnaires from project staffs used as a tool to collect data. The reviewed project documents and literatures used as an input knowledge to develop an insight on stakeholder management practice related with the project. Thus, interview and questionnaires were designed focusing on the practice of project stakeholder management and its process.

### **3.5 Population of the Study**

To meet the research objective on hand, the researcher targeted all of the thirty employees and the management of the organization under this study. Thus, in this study the target population which the survey undertakes was employees of the United beverages project team, employees who are responsible to planning, implementing, coordinating, managing and supporting the overall projects implementation of the organization. The study aims to assess the organization's practice of handling stakeholders in general & to investigate the challenges faced in the process and hence only internal stakeholders are included under this study.

### **3.6 Method of Data Analysis and Presentation**

To transform the raw data into information for useful and meaningful purposes, there was the need to put the data into manageable form, thus creating summaries and categories and applying Statistical inferences. From here, the following was done to finally analyze the data in order of the research objectives and questions. First and foremost, the data were edited to ensure consistency and as well identify and purge them of all forms of errors and omissions which could come up in the course of the data collection. The collected data was analyzed using both quantitative and qualitative methods. The data obtained using close ended questionnaires and semi structured will be analyzed mainly using SPSS version 24 software in order to make a descriptive analysis of the

data, which enabled to present quantitatively using frequency and percentage with the aid of tables, graphs and charts.

### 3.8 Content Validity & Reliability

The alternatives given for each question of the questionnaire internal consistency was checked by taking the responses of 10 respondents randomly using Guttman Split-half method defined as

$$R_{xx^1} = 2(1 - (Se^2 + So^2)Sx^2).$$

where;

$$Se^2 = \text{The respondents' variance represented by even numbers} = 26.41$$

$$So^2 = \text{The respondents' variance represented by odd numbers} = 17.69$$

$$Sx^2 = \text{Total respondents' variance} = 78.64$$

$$R_{xx^1} = \text{the correlation coefficient between the questions of the questionnaire}$$

Hence, by computing the respondents' data using the formula and obtained 0.848. This means 84.8% of the data collected by the respondents is reliable. It is greater than the average 0.7 coefficient correlation value. After making corrections on the questions of the questionnaire, it was distributed in person.

#### Reliability Test

##### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.848	.848	17

**Validity Test**

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Identification	.9577	25.062	.589	.367	.818
Analysis	.3871	22.262	.719	.588	.781
Communication	.0343	21.334	.666	.502	.799
Practices	.8299	25.332	.554	.445	.826
Challenges	.0180	22.570	.679	.538	.793

**3.9 Ethical Consideration**

In this project work preparation, the ethical confidential documentation was implemented & taken into account during the overall process. All the documents used during the preparation of this project work will only be used for the accomplishment of this paper. Moreover, there is no personal interest and the project worker will act professionally.

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

This chapter presents the result of the analysis of the data obtained from the respondents. The results are presented by using descriptive statistics. To analyze the collected data with that of the objective set for this research, Statistical procedures were carried out using SPSS Statistics version 24. In order to examine the practice and make workable recommendations for the raised gaps concerning project stakeholder management practice in the case of United Beverages Greenfield project. Before the questioner distributed, pilot testing (pretest) was made with 10 questionnaire and amendments were taken for clarity. Out of the 31 questionnaires distributed, 30 was filled and returned. The response rate to questionnaire distributed was 96.8 % (30/31\*100).

This section is divided into five subsections: first, general profile of the respondents. Second, the stakeholder identification, classification and relevance. Third, the stakeholder analysis. Fourth, the stakeholder engagement and communication. Fifth, stakeholder management, its practice and challenges. Descriptive statistics such as mean, percentages & frequency were employed.

### **4.1 Descriptive Statistics and Respondents Profile**

The questionnaire developed using five scales ranging i.e., Linkert scale; where 1 represents Strongly disagree, 2 Disagree, 3 Uncertain, 4 Agree and 5 Strongly Agree. Among the 100% questionnaires that were distributed to project team 30 (96.77%) questionnaires were filled and collected. Descriptive statistics were used to analyze the 30 questionnaires collected. The collected questionnaires are inserted into SPSS version 24 in order to make a descriptive analysis of the data, which enabled to present using frequency and percentage. The questionnaire used is attached to this project work under Appendix section.

#### **Background of the Respondents**

The respondents were asked about their sex, age, level of education and related experience in project and stakeholder management.



**Table 4.1: The gender of the respondents**

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	25	83.3	83.3	83.3
	Female	5	16.7	16.7	100
	Total	30	100	100	

Source: Own survey, 2019

On gender distribution of the respondents, the study found that 16.7% of respondents were female and 83.3% of the respondents were male. From this finding, the gender distribution is not proportional.

**Table 4.2: The age group of the respondents**

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	1	3.3	3.4	3.4
	26 to 35	17	56.7	58.6	62.1
	36 to 45	6	20.0	20.7	82.8
	45 Above	5	16.7	17.2	100.0
	Total	29	96.7	100	
Missing	-1	1	3.3		
Total		30	100		

Source: Own survey, 2019

The results (Table 4.2) shows that 1 respondent (3.4% of respondents) are below the age of 25, 17 respondents (58.6% of respondents) were between the age of 26-35 years, 6 respondents (20.7% of respondents) were between the ages of 36-45 years. The remaining 5 respondents (17.2% of respondents) were 46 years old and above. This shows that data was collected from mature people who would freely express their opinions and view in relation to stakeholder management practice of United beverages greenfield project.

**Table 4.3: The respondents’ qualification**

Educational background					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	1	3.3	3.3	3.3
	BA/BSc	17	56.7	56.7	60.0
	MA/MSc	12	40.0	40.0	100
	PhD	0	0	0	100
	Total	30	100	100	

Source: Own survey, 2019

The study sought to establish the education level of the respondents in relation to their ability to interpret and understand the administered questionnaires for reliable findings. The educational level of the respondents as indicated under Table 4.3, 56.7% of the respondents hold a first degree, 40 % holds a second degree and the remaining 1 respondent (3.3% of respondents) hold diploma. Based on these, respondents could easily interpret the research instruments for reliable findings.

**Table 4.4: Respondents work experience**

Working experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 year	2	6.7	6.9	6.9
	2 to 5 years	7	23.3	24.1	31.0
	6 to 10 years	14	46.7	48.3	79.3
	10 years Above	6	20.0	20.7	100
	Total	29	96.7	100	
Missing	-1	1	3.3		
Total		30	100		

Source: Own survey, 2019

As the Table 4.4 here above shows related experience of respondents in relation to project stakeholder management. 24.1% of them had 2 to 5 years of related work experience. The mid-

level staffs have taken the highest percentage shares of the project staffs. The next are senior staffs of that are in between 6 to 10 years of work experience with count 14 or percentage of 31 followed by professionals with above 10 years with count 6 or percentage of 20.7. Finally, juniors below one year of work experience are counted 2, or 6.9%. These distributions implied that most of the respondents are well experienced and had closer know how on the stakeholder management practice of United beverages Greenfield project. Combination of this professionals give ample response to the information been sought which further validate the outcome of the analysis.

## 4.2 Stakeholder Identification

As stakeholder identification is the starting point of stakeholder management process, the below questions raised to the respondents which are useful to analyze all the stakeholders are identified timely and their respective interests measured. As per the interview with respondents traditional/local authorities, shareholders, project team, clients, suppliers, contractors, financial institutions and insurance companies listed out as a stakeholders.

**Table 4.5: Identification of stakeholders at initial stage**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
All relevant stakeholders are identified at the initial stage of the project.	Disagree	14	46.67	46.67
	Uncertain	6	20.00	20.00
	Agree	8	26.67	26.67
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.5 indicates the respondents' responses about the question if All relevant stakeholders are identified and at the initial stage of the project. 46.67 % of respondents were disagreed and 6.7% of the respondents strongly agreed that the on identification of relevant stakeholders at initial stage of the project. While the remaining 20% were uncertain & 26.67% of respondents respond agree. As different as the stakeholders are, also the stakeholder's interests, responsibility and relevance level are different; they range widely from poverty alleviation for entire communities to personal and institutional economic rewards. Thus, the result shows that there was a gap in identification of relevant stakeholders at the initial stage of the project. Accordingly, the requirement of relevant

stakeholder identification might be skipped. So that it leads to variation orders and delay on the project.

**Table 4.6: Stakeholders interest identification and analysis**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Stakeholders’ interests have been clearly identified and analyzed with enough details.	Strongly Disagree	1	3.33	3.33
	Disagree	15	50.00	50.00
	Uncertain	6	20.00	20.00
	Agree	6	20.00	20.00
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.6 illustrates 50% disagree, 10% agree and 20% uncertain, 3.33% strongly disagree and 6.67% strongly agree in that clarity identification and analysis of stakeholders’ interest. Therefore, we can conclude that there were glitches related to clear identification and analysis of stakeholder interest with enough details. Late identification of Stakeholders interest will lead to invite unplanned additional cost in order to be able to manage properly later and may create dissatisfaction among stakeholders.

**Table 4.7: Project team participation**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Project team members participate in identifying stakeholders.	Strongly Disagree	1	3.33	3.33
	Disagree	20	66.67	66.67
	Uncertain	3	10.00	10.00
	Agree	4	13.33	13.33
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.7 illustrates 66.67% disagree, 13.33% agree and 10% uncertain, 3.33% strongly disagree and 6.67% strongly agree in the participation of project team members in stakeholder identification. Therefore, we can conclude there was less participation of project teams in stakeholder identification. Participation of project teams in stakeholder identification is very

important in order to avoid missing relevant stakeholder that might have significant impact on the project. Belongingness and teamwork will also be developed through the process.

**Table 4.8: Timely inclusion of all relevant stakeholders**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Do you think there are stakeholders not identified in time, which have a significant impact on the project deliverables?	Disagree	2	6.67	6.67
	Uncertain	7	23.33	23.33
	Agree	15	50.00	50.00
	Strongly Agree	6	20.00	20.00
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.8 shows 50% of the respondents are agreed and 20% of them strongly agreed with the existence of unidentified stakeholders at the initial stage of the project. 23.33% of the respondents are replied as uncertain. This shows key stakeholders who have a direct impact on the project deliverables were identified at the later stage and their involvement have definitely affected the performance. Inclusion of all stakeholders in the project initiation stage will help the project manager to assess the stakeholder attributes and prioritize the stakeholder in terms of relative importance.

### 4.3 Communication channels

Communications includes the processes required to ensure timely and appropriate generation, collection, distribution, storage, retrieval, and ultimate disposition of project information. Respondents were required to fill the below questions to examine the communication strategy in the UB Greenfield project.

**Table 4.9: Availability of organizational matrix**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
United Beverage S.C. have a clear organizational matrix.	Agree	21	70.00	70.00
	Strongly Agree	9	30.00	30.00
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.9 proves almost all respondents are agreed that there is an organizational matrix in place and aware of their chain of command. This also crosschecked from the company’s internal portal accessible to all employees. We could state that project members are aware of their organization’s vertical and horizontal structure. But bear in mind that availability of organizational structure doesn’t ensure effective communication flow are there in the projects.

**Table 4.10: Decision making process per the chain of command**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Important Decisions were made as per the appropriate chain of command.	Disagree	13	43.33	43.33
	Uncertain	4	13.33	13.33
	Agree	9	30.00	30.00
	Strongly Agree	4	13.33	13.33
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Regarding to the question presented to the respondents about decisions were made per the appropriate chain of command, 43.33% disagreed which implies influential stakeholders were making important decisions without maintaining the appropriate channel.13.33% of the respondents were uncertain where as 13.33% of them are strongly agree and 30% of the total respondents agreed. Influential stakeholders usually have the tendency to overrule the chain of command in the projects and appropriate strategies should be formulated to address this issue.

**Table 4.11: Formal communication strategies are in place**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Formal communication strategies are in place, both top-up and bottom-up.	Disagree	15	50.00	50.00
	Uncertain	5	16.67	16.67
	Agree	7	23.33	23.33
	Strongly Agree	3	10.00	10.00
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.11 illustrated the response of respondents if there are a formal communication strategy is in place, both top-up and bottom-up. 50% of the respondents were disagreed, 16.67% uncertain, 23.33% agreed and the remaining 10 % were strongly agreed. This shows that decisions were made without the appropriate channels and authority, irrespective of the availability of organizational matrix. This results in ambiguity among the project members and lack of ownership in the middle level and operational managers. As per the interview with the project manager, there are a formal communication strategies such as operational and middle level managers meetings, board meetings & follow up discussions but most of all were held in the absence of all relevant stakeholders and also proper documentation like minutes and action plans were not disseminated formally afterwards.

**Table 4.12: Timely decision-making process**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Important decisions were made timely with the required level of urgency.	Disagree	13	43.33	43.33
	Uncertain	5	16.67	16.67
	Agree	8	26.67	26.67
	Strongly Agree	4	13.33	13.33
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.12 shows regarding to the question presented to the respondents, if Important decisions were made timely with the required level of urgency. 43.33% of the respondents were disagreed and 26.67% of respondents were agreed. while 16.67% of respondents uncertain and the remaining 13.33% were in strong agreement. In the projects like UB greenfield project where the owners seated at different locations and different stakeholders involved in the middle, quickness of decisions making process is significant to cope up with the current altering environment. Policies and regulations in Ethiopia are continuously fluctuating and it is essential to promptly adapt and take appropriate decisions. We could conclude from the above findings that there were delays in decision making process that would affect the project performance and instantly would lead to cost and schedule overrun.

**Table 4.13: Influential factors of the project team members.**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Project team members have influence on the decision-making process.	Disagree	4	13.33	13.33
	Uncertain	7	23.33	23.33
	Agree	13	43.33	43.33
	Strongly Agree	6	20.00	20.00
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

According to table 4.13 illustration, 43.33% of the respondents are agreed and 20% of the respondents strongly agreed that Project team members have influence on the decision-making process. However, 23.33% of the respondents responded uncertain and the remaining 13.33% of respondents strongly disagreed. We could perceive that, there are a project team member who feels outlined from the important decisions and their sense of ownership affected as a result.

#### 4.4 Project Stakeholder Management Process

This part consists of results and discussion of factors that influence the stakeholder management process. The factors analyzed includes the availability of standardized stakeholder management process, need for stakeholder management (awareness), to what extent the organization focuses on PSM, conflict resolution approaches among stakeholders.

**Table 4.14: The Need for Stakeholder Management**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Do you think a project stakeholder management can make a difference in the performance of a project?	Agree	5	16.67	16.67
	Strongly Agree	25	83.33	83.33
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.14 depicts if project stakeholder management can make a difference in the performance of a project. 83.33 % of the respondents are replied as they strongly agree and 16.67% of the



respondents agreed. Almost all of the respondents agreed on the importance of project stakeholder management and they are aware of the subject matter.

**Table 4.15: Standardize stakeholder management practice**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
There was a standardized stakeholder management practice in your organization.	Strongly Disagree	11	36.67	36.67
	Disagree	9	30.00	30.00
	Uncertain	5	16.67	16.67
	Agree	3	10.00	10.00
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

According to table 4.15 illustrates, 30% of the respondents are disagreed, 36.67% of respondents were strongly disagreed and 10% of the respondents agreed about availability of standardized stakeholder management practice in your organization. However, 16.67 % of the respondents responded uncertain and the remaining 6.67% of respondents strongly agreed. Most of the respondents believe no standardized stakeholder management protocol is in place which demonstrates low attention was given to stakeholder management, despite awareness on the subject matter. The result also indicates stakeholder management efforts of individuals are not coordinated at institutional level. This, without doubt, undermines the stakeholder management efforts and the potential benefits which could have been harvested had it been carried out in an organized manner.

**Table 4.16: Existence of separate unit responsible for PSM.**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Is there a separate unit in your organization that is responsible for stakeholder management?	Strongly Disagree	13	43.33	43.33
	Disagree	9	30.00	30.00
	Uncertain	5	16.67	16.67
	Agree	3	10.00	10.00
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

According to Table 4.16, 43.33% of the respondents strongly disagreed and 30% of them are disagreed on the availability of a separate unit responsible for project stakeholder management. 16.67% of them are uncertain and only 10% of them agreed. To share the benefits from effective stakeholder management, it is advisable to establish a separate unit within the organization which exclusively is in charge of the stakeholder management function

**Table 4.17: Allocation of resources towards improving project stakeholder management**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Your organization allocates enough funds, technical tools, experts and skilled personnel for improving project stakeholder management.	Strongly Disagree	7	23.33	23.33
	Disagree	16	53.33	53.33
	Uncertain	2	6.67	6.67
	Agree	3	10.00	10.00
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.17 here above reveals the respondents’ response to the question that if the organization allocates enough funds, technical tools, experts and skilled personnel for improving project stakeholder management. 53.33% of the respondents disagreed, 6.67% uncertain, 23.33% strongly disagree and the remaining 10% and 6.67% respondents are agreed and strongly agreed respectively. In related to the previous Table 4.15, which shows lack of standardized project management protocol, allocation of enough resources is significantly low to this subject. Stakeholder management considered as a day to day activity; not in a standardized and systematic way which will improve the project performance.

**Table 4.18: socio-cultural differences**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
Is the socio-cultural differences analyzed at the initial stage of the project?	Strongly Disagree	1	3.33	3.33
	Disagree	10	33.33	33.33

	Uncertain	7	23.33	23.33
	Agree	7	23.33	23.33
	Strongly Agree	5	16.67	16.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.18 illustrates regarding to the question presented to the respondents if the socio-cultural differences analyzed at the initial stage of the project. 23.33 % of the respondents were agreed and uncertain each. While 33.33 % and 16.67% of the respondents agreed and strongly agreed respectively. The remaining 3.3% of respondents were in strong disagreement. Cultural, geographical and economic differences should be analyzed at the initial stage of each projects, and as per the above findings these are not analyzed at the required level which leads to dissatisfaction and conflict among shareholders.

**Table 4.19: Conflict resolution plan**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
There is a conflict resolution plan in place and communicated among the relevant stakeholders.	Strongly Disagree	9	30.00	30.00
	Disagree	12	40.00	40.00
	Uncertain	4	13.33	13.33
	Agree	3	10.00	10.00
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Most often, project stakeholders have conflicting interests. Therefore, it's the project management's responsibility to figure out these conflicts and try to resolve them as quickly as possible. Table 4.19 indicates the respondent's response for the question about if there is a conflict resolution plan in place and communicated among the relevant stakeholders. 40% of respondents were disagreed and 30% of the respondents strongly disagreed the availability and communication of conflict resolution plan. While 13.33% were uncertain. The remaining 10% and 6.67% of respondents were agreed and strongly agreed. Many of the respondents believe that there is no conflict resolution plan in place and leads to inefficiencies, and later on to schedule slippage and cost overrun.

### 4.5 Challenges in Stakeholder Management

The researcher tries to investigate substantial challenges in the stakeholder management effort/process of the project under the topic.

**Table 4.20: Conflicting requirements of stakeholders**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
There were a conflicting requirement of stakeholders,	Strongly Disagree	3	10.00	10.00
	Disagree	5	16.67	16.67
	Uncertain	9	30.00	30.00
	Agree	9	30.00	30.00
	Strongly Agree	4	13.33	13.33
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.20 indicates the respondents’ responses about the question if there was a conflicting requirement of different stakeholders. 30% of respondents were agreed and 13.33% of the respondents strongly agreed. While 30% were uncertain. The remaining 6.67 % and 10 % of respondents were disagreed and strongly disagreed. One could conclude from the above finding that project scope related needs of stakeholders are varying with the project actual deliverables and outcomes.

**Table 4.21: Attitude of senior managers**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
There was a concern of attitude (or perception) of senior managers pertaining to the need to manage stakeholders.	Strongly Disagree	3	10.00	10.00
	Disagree	7	23.33	23.33
	Uncertain	6	20.00	20.00
	Agree	12	40.00	40.00
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.21 illustrates 23.33 % disagree, 40 % agree and 20% uncertain, 10% strongly disagree and 6.67% strongly agree in the existence of a concern of attitude (or perception) of senior managers pertaining to the need to manage stakeholders. Although majority of stakeholders agreed on the existence of issues related to senior managers, 20% of the respondents are uncertain in view of that, the success or failure of a project is influenced very strongly by the expectations and perceptions of the stakeholders involved on the project, and hence failure to balance or address the concerns of the stakeholders is very likely to result in many projects failing.

**Table 4.22: socio-cultural backgrounds, goals and strategies of partners**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
There was unharmonious socio-cultural backgrounds, goals and strategies of partners.	Strongly Disagree	3	10.00	10.00
	Disagree	15	50.00	50.00
	Uncertain	7	23.33	23.33
	Agree	3	10.00	10.00
	Strongly Agree	2	6.67	6.67
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.22 shows 50% of the respondents are disagreed and 10% of them strongly disagreed with existence of unharmonious socio-cultural backgrounds, goals and strategies of partners. 23.33% of the respondents are replied as uncertain. Remaining 10% and 6.67% of the respondents were in agreement.

**Table 4.23: Project sponsor support**

Questionnaire Item	Indicator	Frequency	Percent	Valid Percent
There was lack of support from project sponsors to the project team for executing appropriate stakeholders management protocol.	Strongly Disagree	3	10.00	10.00
	Disagree	5	16.67	16.67
	Uncertain	7	23.33	23.33
	Agree	11	36.67	36.67
	Strongly Agree	4	13.33	13.33
	Total	30	100	100

Source: Own survey, 2019 SPSS version 24 outputs

Table 4.23 is about if there was lack of support from project sponsors to the project team for executing appropriate stakeholders' management protocol, 36.67% of the respondents were in agreed and 16.67% disagreed status. 23.33% of respondents were uncertain the remaining 10% and 13.33% were strongly disagreed and strongly agreed respectively. We could conclude that, respondents have mixed perception concerning whether project sponsors and partners care about how they are managed by the project performing institution.

## **CHAPTER 5: CONCLUSION AND RECOMMENDATION**

This chapter includes, conclusions and recommendations of the practices and challenges of stakeholder management in the case of United Beverage Greenfield project. In this section of the study concluding statements of the research presented in this paper are drawn, the research findings are discussed, and some recommendations for future researches in the area are made.

### **5.1 Conclusion**

This study has been focusing on the assessment of practices and challenges of Project Stakeholder management in the case of United Beverages Greenfield project. It is understood that, the provision of quality stakeholder management protocol is imperative for institutions in general and projects in particular to be able to compete in a global level and direct their successful journey through long-term partnership and achieve their dreams in today's dynamic and highly integrated competition-oriented world. The following conclusions are drawn from the above findings;

The task was therefore begun with the identification of general profile of the respondents. In this context, majority of the respondents are male, majority of the respondents are in the age group of 26-35, majority of the respondents has BA/BSc educational status and also majority of the respondents have 6-10 years of working experience in the organization.

With regard to relevant stakeholder identification and analysis of their respective interest, the findings present that key stakeholders were not identified at the initial stage of the project and their later existence has a significant influence. Stakeholders interest and expectations were not analyzed with the required level of clarity and conflicting interests created at later stage. Lack of proper communication channel is also identified as the major challenge to manage stakeholders in the project.

Lastly, the study finds out the challenges mentioned by the respondents to indicate basic challenges that are faced by the projects; low commitment, low understanding of different issues, conflicting interests, lack of timely decisions, lack of standardized stakeholder management protocol and lack of support from project sponsors and senior management.

## **5.2 Recommendations**

To ensure good Stakeholder management in United Beverages Greenfield projects, the following recommendations are forwarded out of the empirical qualitative and quantitative findings, these are:

- Need to guarantee better understanding about projects general goal and objects among all stakeholders and ensure strong communication with all stakeholders from the project initiation up to close-out period,
- Always there must be an identification of all relevant stakeholders from the project planning and work with them to accomplish project goals even if there are interests differences,
- Make sure that there must be active stakeholder involvement and management at project life cycle management (PLCM) (project initiation, planning, implementation, monitoring & evaluation and close-out) to achieve effective result of project performance,
- Create and develop the sense of ownership in all stakeholders level about the project results and at the same time this develop sense of responsibility and accountability,
- The need to build stronger relationship by continuous engagement and information sharing as well as coordination of stakeholder plans at all levels of the United Beverages Greenfield projects,
- The need to be assigned a separate organizational stakeholder management unit to effective use of stakeholder management process, and
- Ensure participatory planning with full commitment from all key stakeholders mainly with project sponsors/donors, beneficiaries, project teams and authorities (clear cut relationships and expectations).



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**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**DEPARTMENT OF PROJECT MANAGEMENT**

Dear Participants:

My name is Kirubel Tsegaye, I am MA student in Project Management at Addis Ababa University School of Commerce. As part of my MA requirement, I am doing project work entitled: “Assessment and Challenges of Stakeholder Management Practice in the case of United Beverages S.C Greenfield Project”.

I kindly request you to participate in this project work by completing the attached questionnaire. In order to ensure that all information will remain confidential please do not include your name anywhere in the questionnaire. I also sincerely request you to respond to the questions as honestly as possible and return the completed questionnaires.

Your willingness and cooperation in giving reliable information is well appreciated and the information you provide will be used for academic purpose and will be kept strictly confidential.

Knowing that your time is valuable please, take few minutes of your time to complete the questionnaire.

In case of any question please contact me via [KirubelTsegayeT@gmail.com](mailto:KirubelTsegayeT@gmail.com)/+251-913-141708.

Thank you in advance for your co-operation.

Sincerely,

Kirubel Tsegaye

**General Instructions**

- There is no need of writing your name
- In all cases where answered options are available please tick (X) in the appropriate box

**Part I: Demographic Information**

1. Sex  Male  Female
2. Age  Below 25  26 – 35  36-45  above 45
3. Educational background  Diploma  BA/BS  MA/MSC  PHD
4. Work experience  < 1  2-5  6-10  Above 10

**Part II: Project contract management practice**

Please indicate by ticking the extent to which you agree with the following statements.

Key:

- 1 Strongly Disagree
- 2 Disagree
- 3 Uncertain
- 4 Agree
- 5 Strongly Agree

<b>A. Stakeholder Identification</b>						
	<b>Indicator</b>	1	2	3	4	5
1	All relevant stakeholders are identified and at the initial stage of the project.					
2	Stakeholders’ interests have been clearly identified and analyzed with enough details.					
3	Project team members participate in identifying stakeholders.					
4	Do you think there are stakeholders not identified in time, which have a significant impact on the project deliverables?					

<b>B. Stakeholder Communication</b>						
	<b>Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
5	United Beverage S.C. have a clear organizational matrix.					
6	Important Decisions were made as per the appropriate chain of command.					
7	Formal communication strategies are in place, both top-up and bottom-up.					
8	Important decisions were made timely with the required level of urgency.					
9	Project team members have influence on the decision-making process.					
<b>C. Stakeholder management Practice</b>						
	<b>Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
10	Do you think a project stakeholder management can make a difference in the performance of a project?					
11	There was a standardized stakeholder management practice in your organization.					
12	Is there a separate unit in your organization that is responsible for stakeholder management?					
13	Your organization allocates enough funds, technical tools, experts and skilled personnel for improving project stakeholder management.					
14	Is the socio-cultural differences analyzed at the initial stage of the project?					
15	There is a conflict resolution plan in place and communicated among the relevant stakeholders.					
<b>D. Challenges in Project Stakeholder Management</b>						
	<b>Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
16	There was a conflicting requirement of stakeholders,					
17	There was a concern of attitude (or perception) of senior managers pertaining to the need to manage stakeholders.					
18	There was unharmonious socio-cultural backgrounds, goals and strategies of partners.					
19	There was lack of support from project sponsors to the project team for executing appropriate stakeholders management protocol.					

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

Dear Interviewee,

First of all, I would like to thank you for your willing's to respond to my questions. My name is Kirubel Tsegaye, I am a Master of Arts Degree student in Project Management at Addis Ababa University School of Commerce. As part of my MA project work, I am studying the assessment and challenges of project stakeholder management and I have taken the case of United Beverages Greenfield project for my study. This interview is made to have more in depth on the matter under study.

Thus, I kindly request you to answer all the questions assuring you that all responses will be used only as an input for this study.

1. List out the project stakeholders in the UB Greenfield project.
2. Do you have a standardized/formal stakeholder management protocol for Projects?
3. How is stakeholder management done in your institution?
4. What is/are the bases for your stakeholder identification?
5. Does the project overrun (if any) have anything to do with Project Stakeholder Management (PSM)?
6. What challenges are there in managing stakeholders in your institution?
7. Finally, what are the ideal attributes or elements of a contract form/administration for smooth PSM practices of Greenfield projects? Please state