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Effectiveness Of Stakeholder Management In Construction Industry

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ABSTRACT

The stakeholders are a significant source of uncertainty in construction project. The successful construction project management are often administered only the responsible managers take into consideration the potential influence of the project's stakeholders. Construction projects are traditionally divided into series of activities or operations undertaken by different individuals or groups who may have different levels of interest and or involvement within the project. Construction projects are generally unique in nature supported their fragmentation, processes and interaction with numerous parties; and a bit like the other venture, are constrained by time and resources which are needed for the projects to be delivered. Therefore, the tactic of design and execution of construction projects constitutes a posh system which involves collaboration and negotiations among many stakeholders which can include the clients, designers, contractors, local authorities and thus the general project environment etc. The various parties involved both directly and indirectly on the project are mentioned because the project stakeholders whose management is significant to achieving project success. Therefore, Stakeholder management has been recognized as a crucial strategy for achieving project success in construction projects.

This study went to identify and evaluate Critical Success Factors affecting stakeholder management in construction projects, employing a questionnaire survey among construction professionals for validate 30 Critical Success Factors identified from the literature reviewed. Decision making, Information input, Management support was highly ranked groups among the various factors. Managing of all the factors will helps successful delivery of the project.

Keywords: Stakeholder, Construction management, Critical success factors

INTRODUCTION

Today almost every project takes place during a context where stakeholders play a serious role within the accomplishment of the tasks. Different stakeholders have different levels and kinds of investments and interests in projects during which they're involved. Often the project is sensitive to actions and decisions taken by the stakeholder. To make sure a successful project, the project team must identify the stakeholders, determine their 4 requirements and expectations, manage their

influence in reference to the wants and identify the varied factors affecting the stakeholder management. The project manager's primary challenge is that a project needs both to think about and gratify a spread of stakeholders, which include the end- users, the purchasers, the designers, the contractors, and therefore the maintenance team. Moreover, each stakeholder has destined requirements with reference to the project, which create fundamental conflicts with others. Conflicts are at the basis of most project

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management difficulties at both the strategic level and at the tactical level. Operating in built environments has also changed the main target of construction.

The coeval focus is on delivering integrated solutions that meet the customers' business activities rather than only on construction activities. In rendering integrated solutions, customer needs are met by combining products and systems with services so as to specify, design, build, maintain, support, and operate throughout the construction life cycle. Front-end activities became highly important when operating in composite environments, particularly in revealing the conflicts between customers' and other stakeholders' requirements and purposes. The power to know and manage the roles and requirements of varied stakeholders may be a critical task for project manager because their primary role is that of facilitator among various constituencies, also as collector and packer of project requirements to make sure satisfactory conditions for all parties. The central argument is that there are not any systematic processes for the stakeholder identification and management also as requirements engineering within the housing industry which is causing immense problems, like delays and budget overruns, in some projects.

The taxonomic process may help project management to spot, classify, and manage stakeholders more comprehensively. Additionally, the necessity for research is maturing because relational project delivery methods and integrated project teams are getting more and more popular.

Project Stakeholders

A stakeholder is a private or organization who may affect, be affected, be suffering from, or perceive itself to be suffering from a choice, activity, or outcome of a project. Stakeholders could also be actively involved within the project or have interests

which will be positively or negatively suffering from the performance or completion of the project. Different stakeholders may have competing expectations which may create conflicts within the project. Stakeholders can also exert influence over the project, its deliverables, and therefore the project team so as to realize a group of outcomes that satisfy strategic business or other needs. Project governance is that the alignment of the project with the stakeholder's needs or objectives and it's critical to the successful management of stakeholder engagement and therefore the achievement of organizational objectives. Project governance enables organizations to consistently manage projects and maximize the worth of project outcomes and align the projects with business strategy. It provides a framework during which the project manager and sponsors can make decisions that satisfy both stakeholder needs and expectations and organizational strategic objectives or address circumstances where these might not be in alignment.

Stakeholder influence in the implementation of construction projects

Stakeholder Management is about relationships between a corporation and their groups interested or stakeholders. These relationships impact on the individuals and their organizations that would be positive, or have a negative influence on any successful project. Therefore, the stakeholders from any project should be managed by the organizations with the outlook to attenuate the negative impacts and confirm that there are not any obstacles within the way of a successful project.

The stakeholder during a project are often divided into

- Internal Stakeholders to the organization, who are the team members of the project or those that provide for the financing of it.
- External Stakeholders just like the people suffering from the project in some significant way

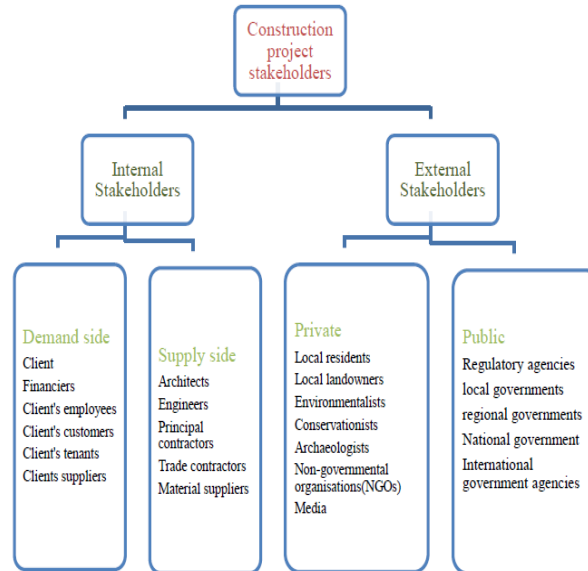


Figure 1: Categorization of stakeholders

AIM

- This research aims to gauge the foremost common factors affecting the stakeholder management process in construction projects
- To identify different stakeholders within the housing industry and stakeholder involvement in several stage of construction.

SCOPE AND LIMITATON

- The study will have a limitation of research within the field of housing industry only.
- The study will specialise in identifying different stakeholders in construction projects.
- The study will specialise in identifying the needs/requirements and expectations of various stakeholders.
- The study will specialise in identifying various satisfaction attributes for stakeholders.
- The study will generate questionnaires for survey to urge feedback from different stakeholders of the project.

CRITICAL SUCCESS FACTORS (CSFs) FOR STAKEHOLDER MANAGEMENT

Many researchers have used the critical success factors as a way to enhance the performance of the management process. CSFs are often defined as “areas, during which results, if they’re satisfactory, will ensure successful competitive performance for the organization”. Some researchers viewed them as “those critical areas of managerial planning and action that has got to be practiced so as to realize effectiveness”. CSFs are viewed as those activities and practices that ought to be addressed so as to make sure effective management of stakeholders during a construction project. All the aspect of critical success factors of stakeholder is introduced, so 30 factors contributing to the success of stakeholder management are grouping to main groups of six (include management support, identification of stakeholder information, stakeholder assessment, decision making, action & evaluation, and a continuous support group. The six group CSFs and perceptions of successful stakeholder management are identified as discussed in this paper.

Table 1.1 CSFs

	Categories	Critical Success Factors (CSFs)
1	Management support group	Stakeholder management with corporate social responsibilities
		Flexible project organization
		Project manager competences
2	Information Input group	Setting common goal
		Stakeholder identification
		Stakeholder needs and expectations.
3	Stakeholder Assessment group	Stakeholders' attitude
		Stakeholders' interests
		Stakeholders' influence
		Stakeholders' conflicts and coalitions
		Stakeholders' power
		Stakeholders' legitimacy
		Stakeholders' urgency
		Stakeholders' proximity
4	Decision making group	Evaluation of alternative solutions.
		Ensuring effective communication
		Formulating appropriate strategies
5	Action & evaluation group	Implementing the strategies
		Predicting stakeholders' reactions
		Evaluating stakeholder' satisfaction
6	Continuous support group	Frequently communicating with stakeholders
		Stakeholder involvement
		Promoting relationship with stakeholders
		Realizing changes of stakeholder
		Higher authorities support
		Trust
		Reduce uncertainty
		Maintain alignment
Access to resources and knowledge		

METHODOLOGY

The adopted methodology that is used to accomplish this study is the following techniques:

review of literatures related to stakeholder management, questionnaire for gathering data, and data analysis.

Objectives

To identify & rank the foremost common factors that affecting the stakeholder management process in construction project.

Research Methodology

The adopted methodology that's wont to accomplish this study is that the following techniques: review of the literature associated with stakeholder management, questionnaire for gathering data, and data analysis by Relative Importance Index.

Relative Importance Index (RII)

Likert scaling was used for ranking questions that have an agreed level. The respondents were required to rate the importance of every factor on a 5-point Likert scale using 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree. The relative importance index is employed for ranking.

Then, the Relative Importance Index was computed using the subsequent equation:

$$\text{Relative Importance Index} = \sum w / AN$$

Where W is that the weighting given to every factor by the respondent, starting from 1 to 5, "A" is that the highest weight and N is that the total number of samples. The relative importance index ranges from 0 to 1

RESULT AND DATA ANALYSIS

Relative Importance Index (RII)

Table 1.2: RII's for CSFs groups affecting the stakeholder management process

N O	CSFs	RII	RAN K
1	Decision Making	0.82 6	1
2	Information Input	0.81 2	2
3	Management Support	0.75 9	3
4	Action and Evaluation	0.60 1	4
5	Continuous Support	0.60 5	5
6	Stakeholder Assessment	0.51 4	6

From Table 1.2, it is shown that the "Decision making" was ranked within the first position by the respondents with Relative Importance Index equals (0.826), Information input was ranked in second position and Management Support, Continuous

Support, Action And Evaluation, Stakeholder Assessment was ranked in next position by the respondent

Table 1.3: RII's for management support

N O	Management Support	RII	RAN K
1	Managing stakeholder with	0.796	1

	corporate social responsibilities		
2	Project manager competences	0.707	2
3	Flexible project organization	0.704	3

From Table 1.3, it's shown that the "Managing stakeholder with corporate social responsibilities" was ranked within the first position by the respondents under this group as a critical factor influencing the management support within the

stakeholder management process with Relative Importance Index equals (0.796), Flexible project organization was ranked in second position and Project manager competences was ranked in third position by the respondent.

Table 1.4: RII's for Information Input

NO	Information Input	RII	RA NK
1	Setting common goal and objective of the project	0.857	1
2	Exploring the stakeholder need and expectation	0.718	2
3	Identifying stakeholders	0.702	3

From Table 1.4, it's shown that the "Setting common goal and objective of the project" was ranked within the first position by the respondents under this group as a critical factor influencing the knowledge Input within the stakeholder

management process with Relative Importance Index equals (0.857), Exploring the stakeholder need and expectation was ranked in second position and Identifying stakeholders was ranked in third position by the respondent.

Table 1.5: RII's for Stakeholder Assessment

NO	Stakeholder Assessment	RII	RA NK
1	Understanding area of stakeholders' interests	0.680	1
2	Evaluating the stakeholder legitimacy	0.616	2
3	Evaluate the stakeholder power	0.603	3
4	Assessing stakeholders' attitude	0.592	4
5	Predicting the influence of stakeholders	0.588	5
6	Determine the stakeholder Knowledge	0.576	6
7	Determine the	0.57	7

	stakeholder Knowledge	3	
8	Understand the stakeholder urgency	0.55 0	8
9	Determine the stakeholder proximity	0.54 6	9

From Table 1.5, it's shown that the "Understanding area of stakeholders' interests" was ranked within the first position by the respondents under this group as a critical factor influencing the Stakeholder Assessment within the stakeholder management process with Relative Importance Index equals (0.680), Assessing stakeholders' attitude, Evaluate the stakeholder

power, Evaluating the stakeholder legitimacy, Predicting the influence of stakeholders, Determine the stakeholder Knowledge, Analysing conflicts and coalitions among stakeholders, Understand the stakeholder urgency, Determine the stakeholder proximity was ranked in next position by the respondent.

Table 1.6: RII's for Decision Making

NO	Decision Making	RII	RA NK
1	Transparent evaluation of the alternative solution based on stakeholder concern.	0.8 47	1
2	Formulate appreciate strategy to deal with stakeholder.	0.8 15	2
3	Ensuring effective communication between the project and its stakeholder.	0.7 72	3

From Table 1.6, it's shown that the "Transparent evaluation of the choice solution supported stakeholder concern." was ranked within the first position by the respondents under this group as a critical factor influencing the choice Making within the stakeholder management

process with Relative Importance Index equals (0.847), Formulate appreciate strategy to affect stakeholder was ranked in second position and Ensuring effective communication between the project and its stakeholder was ranked in third position by the respondent.

Table 1.7: RII's for Action and Evaluation

NO	Action and Evaluation	RII	RA NK
1	Implementing the strategy based on schedule plans.	0.76 6	1
2	Evaluation the stakeholder satisfaction in terms of achievement of the stakeholder pre - project	0.63 8	2

	expectation		
3	Flexibility in the implementing strategy to deal with stakeholder' reaction.	0.59 2	3

From Table 1.7, it's shown that the "Implementing the strategy based on schedule plans." was ranked within the first position by the respondents under this group as a critical factor influencing the Action And Evaluation within the stakeholder management process with Relative Importance Index equals (0.766), Evaluating the

stakeholder satisfaction in terms of achievement of the stakeholder pre - project expectation was ranked in second position and Flexibility within the implementing strategy to deal with stakeholder' reaction was ranked within third position by the respondent.

Table 1.8: RII's for Continuous Support

N O	Continuous Support	RI I	RA NK
1	Stakeholder involvement in decision making.	0.8 26	1
2	Maintain alignment between or among the stakeholder	0.8 22	2
3	Obtain support assistant from higher authorities.	0.6 50	3
4	Reduce the uncertainty	0.6 30	4
5	Access to resource and knowledge	0.6 30	5
6	Keeping and promoting an on-going relationship with stakeholder.	0.6 23	6
7	Analyzing the change of multiple stakeholder engagement and the relation.	0.6 01	7
8	Mutual trust and respect amongst the stakeholder	0.6 00	8
9	Communication with the engaging stakeholder properly and frequently	0.5 92	9

From Table 1.8, it's shown that the "Stakeholder involvement in decision-making" was ranked within the first position by the respondents under this group Keeping and promoting an on-going relationship with

stakeholder, Access to resource and knowledge, Reduce the uncertainty, Analysing the change of multiple stakeholder engagement and the relation, Mutual trust and respect amongst the stakeholder and Maintain alignment between or among the

stakeholder by the respondent. As a critical factor influencing the Continuous Support within the stakeholder management process with Relative Importance Index equals (0.826), Communication with the engaging stakeholder properly and frequently, Obtain support assistant from higher authorities,

CONCLUSIONS

Stakeholder's management has developed into an important task of the project management

process over the recent decades. Critical success factors for stakeholder management in construction projects will helps in achieving the specified results and their by project success are often attained. This paper presented a neighbourhood results of a questionnaire survey, and aims to spot CSFs realted to stakeholder management. A complete of 30 factors affecting the stakeholder management process were identified and setting common goal and objective of the project is that the first ranked by the respondent, it considers features a most vital critical success factor.

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