

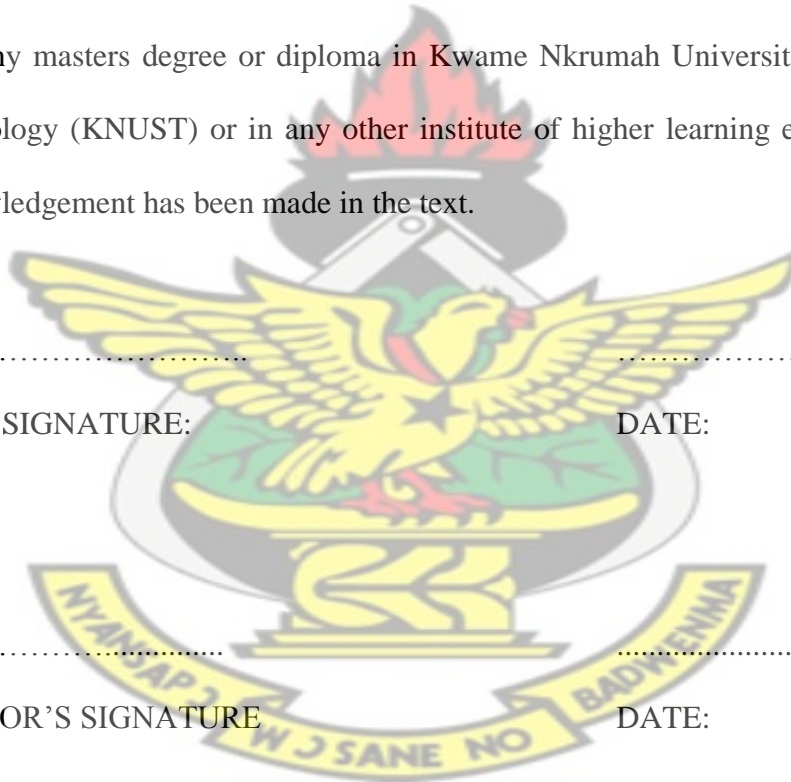


**DECLARATION OF AUTHORSHIP**

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I hereby, declare that this thesis is my own work and that, to the best of my knowledge and belief, it contains no materials previously published or written by another person nor material which to a substantial extent has been accepted for the award of any masters degree or diploma in Kwame Nkrumah University of Science and Technology (KNUST) or in any other institute of higher learning except where due acknowledgement has been made in the text.



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STUDENT SIGNATURE: DATE:

.....  
SUPERVISOR'S SIGNATURE DATE:

.....  
HEAD OF DEPARTMENT SIGNATURE DATE:

## DEDICATION

I hereby dedicate this research to my dear friends and loved ones, especially those who helped me in diverse ways to complete my education not forgetting Rosemary, Mackey, Queenstar and Zenith.

# KNUST



## ACKNOWLEDGEMENT

My gratitude goes to the Supreme Being, Almighty God, the Beginning and the End, who took care of me and saw me through this programme. My heartfelt thanks go to Dr. Divine K. Ahadzie, my supervisor, who provided an excellent guidance throughout this study. I am also grateful to the lecturers and staffs of the Kwame Nkrumah University of Science and Technology (KNUST) and the staffs of the Ho Municipal Assembly (HMA) who provided inputs throughout this project.



## ABSTRACT

Project stakeholders management is a continuous and developing process that runs throughout the procurement process. It addresses methodically how to identify and manage their interests and influence in all stages of the procurement process if they are to exert positive effect on project delivery and successful performance of public projects. This becomes even more important when it comes to the management of public funds and resources towards provision of public infrastructure for the nation and meeting of external donor requirements.

The objective of this thesis was to examine strategic guide for managing project stakeholders expectation in procuring public projects. Ho Municipal Assembly, a public institution was selected for the study in which sample size of sixty, (60) of the sample frame of project end users as stakeholders were provided with questionnaires as research instrument was analyzed. The data were analyzed using one tailed test as statistical tool. The work looked at the relevant success factor, challenges and benefits of stakeholder management in the public procurement, which includes relevant theories on project stakeholder and procurement management with the essence of value for money creation.

This research revealed that there are strategic guides that must be considered in stakeholders' management which ultimately impact on project delivery. Identifying stakeholders, ensuring effective communication, assessing stakeholders behavior, predicting stakeholder influence and promoting good relationship are some of the strategic guides for managing public stakeholders expectation in public procurement.

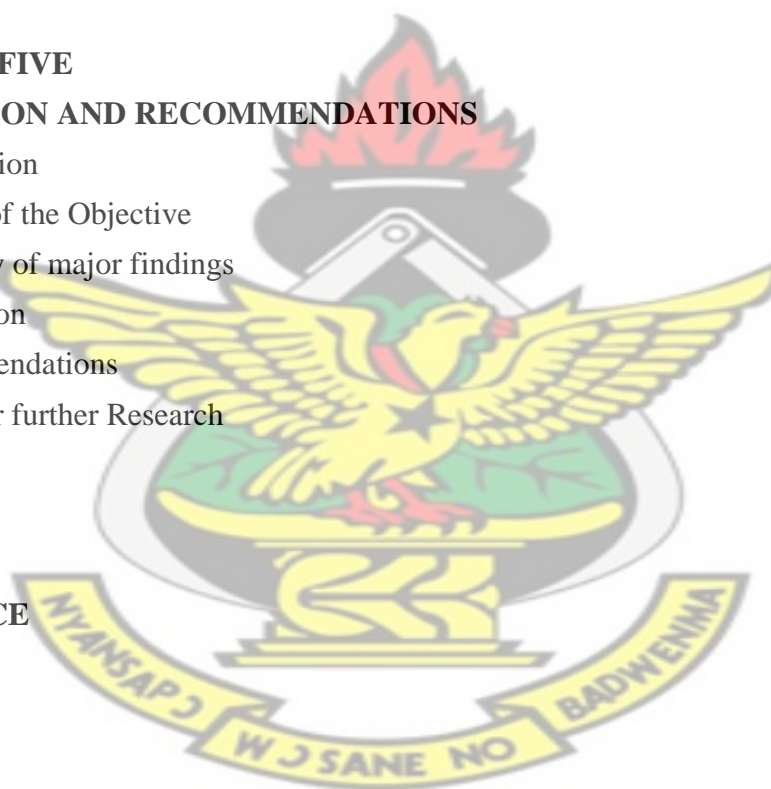
Moreover, it has also been found that defining project missions, identifying stakeholders, understanding the area of stakeholders' interests, exploring stakeholders' needs and constraints in projects, analyzing the change of stakeholders, among others were some of the challenges in managing project stakeholders expectations. On the contrary, improvement in communication among stakeholders, better stakeholders need clarification, value for money for the Assembly, promotion of good relations and meeting public expectations, as well as balancing interest and power of stakeholders' were found from the study as some of the benefits in managing stakeholders' expectation in public procurement management.

Recognition of such variables as strategic guide creates and encourages transparency, value-for-money for the Assembly, eliminates resistance to misconduct in the procurement process while promoting accountability and control as well as improving project community relations throughout infrastructural provision.

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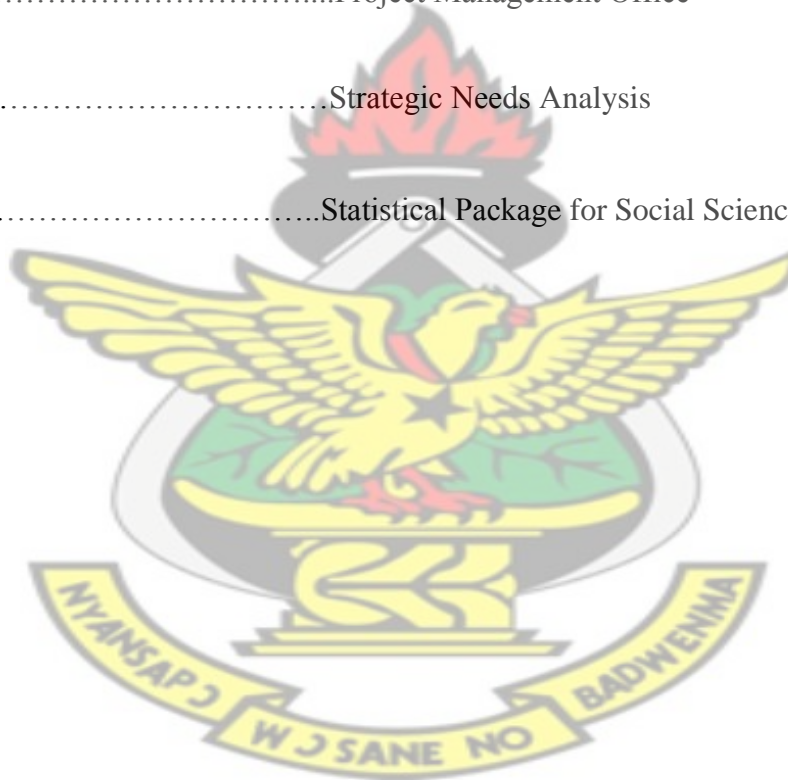
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## ABBREVIATIONS

PPA.....	Public Procurement Act, (Act 663, 2003)
PPP.....	Public-Private Partnerships (PPP)
PMI.....	Project Management Institute (PMI)
PMBOK.....	Project Management Body of Knowledge
HMA.....	Ho Municipal Assembly (HMA)
PMO.....	Project Management Office
SNA.....	Strategic Needs Analysis
SPSS.....	Statistical Package for Social Science



## CHAPTER ONE

### GENERAL INTRODUCTION

#### 1.1 Background of the Study

Project success and failure is directly related to its stakeholders' perceptions of the value created by the project and the nature of their relationship with the project team (Bourne, 2005). The success, or failure, is strongly influenced by both the expectations and perceptions of its stakeholders, and the capability and willingness of project managers to manage these factors and the organization's politics team (Bourne, 2005).

The Stakeholder assessment is based on the premise that a project can only exist with the informed consent of its stakeholder community whether it is procurement of goods, services or works for infrastructure development for government or the private entity of the economy (Freeman, 2007). There are tools and methodologies that provide an effective mechanism for assessing the relative influence of a project's stakeholders understanding, their expectations and defining appropriate engagement procedures to influence the key stakeholders expectations and perceptions to the benefit of the project. Influence of the stakeholders is based on power, proximity and urgency, which is well establish method of gauging stakeholder influence (Freeman, 2007). In Ghana, Public Procurement Process aims at acquiring goods, works and services using public funds. It includes planning, inviting offers, awarding contracts and managing contracts. Public procurement has a direct impact on the successful delivery of government projects and public services, sound public financial management by achieving value for money in government expenditure, reducing

corruption and encouraging private sector growth and investment. These activities have direct impact on stakeholders such as Public Procurement Board (PPB), Procurement Entities, the Private Sector and Oversight bodies, the public and the users of the final product or service and for that matter project delivered in the public procurement system Act, 2003 (Act 663).

Understanding the roles and responsibilities of each stakeholder in the procurement system is crucial if the projects are to be declared as successful or unsuccessful.

It is an undeniable fact that as project affects its stakeholders, the project stakeholders may also affect the project. Examples of project stakeholders are project investors, various decision makers, project teams, authorities, suppliers, customers and end users; each description, for example 'project investors', typically covers several persons or entities (Freeman, 2007). In managing project stakeholders, you must decide on the *level of stakeholder disaggregation* (Ackermann and Eden, 2011).

The term Stakeholder has become increasingly important as an integral part of a project. In general, stakeholders are groups of people whose interests are considered to be most important for the overall success of a project. According to Freeman (1984), "Stakeholder is any group or individual who can affect or is affected by the achievement of the firm's objectives". They have the capability to influence the project and receive both gain or lose from the success or failure of a system. According to Romenti (2010), stakeholders are considered social subjects who influence each other's perceptions, rather than isolated individuals who process information. Successful completion of projects is therefore dependent on meeting the expectation of stakeholders (Freeman, 2007).

Effective stakeholder management is therefore crucial to project's success and it's

really impossible to manage stakeholders if it's not known who they are and the motive of their involvement (Prager et al; 2009). Stakeholder can be classified according to their interest and power (Prager et al; 2009). In reality, no stakeholders are identical according to their interests and power. Identifying stakeholders relative to their level of interest and power provides an opportunity to bring those stakeholders within the judgment process who might have interest and authority to bring sustainability related performance and who might have interest in different sustainability related issues as well. It is necessary for organizations to identify and address the needs and interests of their various stakeholders to receive their continued concern and support to the organization (Prager et al; 2009). As most of the stakeholder's demands and interests sometimes conflict with each other, organization must set appropriate strategic goals and priorities to bring sustainability to meet these demands and interests. The necessities of stakeholder group signify the group's interests that need to be managed by organizations. Accordingly, the extent to which management recognize their responsibility to meet and satisfy the needs and demands of their stakeholders' interests have direct effects on their overall corporate sustainability (Greenwood, 2001). Relating stakeholder's interest and their influence to the target of achieving sustainability, influences the project and its outcomes are extremely useful in identifying the significant stakeholders with their issues and also help to prepare strategies to address these issues.

In order to manage the stakeholders such as owner, contractor, sub contractor, construction clients, project manager and architects; stakeholder analysis can be used to identify the key people who have to be won over, according to their interest and power. However, Newcombe (2003) pointed out that different stakeholders have different levels and types of investment and interest and can be seen as multiple

clients or customers for the project in which they are involved. If their interest could not be met up finally it will jeopardize the project objectives and its smooth implementation. Different stakeholders show their positive or negative views and sometimes differ with one another through challenges to settle their varied viewpoints. As a stakeholder management approach assists in making partners and maintaining good communication, it helps the project participants to work together. Therefore most improvement actions were focused on increasing customer satisfaction. According to Foley (2005), the aim of organizational sustainability will be accomplished if the organization can continue to meet the wants and expectations of the stakeholders.

### **1.2 Aim of study**

The purpose of the study was to find out strategic guide for managing project stakeholders expectation within the Districts or Municipal Assemblies in Ghana.

### **1.3 Statement of the Problem**

In Ghana, public funds are used as to procure goods, works and services, and as to whether proper stakeholders engagement have been made to ascertain their needs and wants prior to the service provision has been questioned in public procurement. The challenges involved in delivery of public procurement are quite enormous as each interest group will like to be given attention throughout the procurement process. Ho Municipal Assembly (HMA) is not an exception to this phenomenon, as each interest group inputs, power and influence has to be identified and balanced in public procurement process on the quest of delivering satisfactory services to the public within the Assembly and meeting PPA objectives of creating value for money and transparency as well as encouraging competitiveness within public procurement (PPA

Act 663, 2003). Assessing these constraints create an avenue in managing the interest and influence of the stakeholders in procuring on schedule, operating within budget and meeting stakeholders expectation.

Also, inability to communicate the objectives of the proposed project undertaken by Ho Municipal Assembly (HMA) has led to frequent complaints and discussion among the public within the Assembly. One of the vital PPA objectives is to create value for money for the public in the procurement process and failure to identify the challenges such as identifying stakeholders, understanding the area of stakeholders' interests, exploring stakeholders' needs and constraints in projects and analyzing the change of stakeholders could lead to mistrust, conflict and failure to meet project objectives. This research tries to explore these relevant success factors as strategic guides in managing stakeholder's expectation in procuring public projects.

#### **1.4 Research Questions**

- 1) What are the relevant success factors for stakeholder management?
- 2) What are some of the challenges in managing stakeholders?
- 3) What are the benefits of managing project end users expectations?

#### **1.5 Objectives of the Study**

The main objective of the study is to examine strategic guide for managing project stakeholders expectation.

##### **Specific objectives**

- a) To explore the relevant success factors for stakeholder management.
- b) To assess the challenges of stakeholder management.
- c) To find out benefits of managing project end user expectations

## 1.6 Justification of the Study

Frequent complaints especially by project end users group about the failure by the Assembly to properly engage them in prior to the procurement of road, water, educational and other basic facilities for the Municipality has called for the finding out of the challenges and the relevant success factors necessary for delivery of successful project.

According to Bertók (2005) and cited by K. Osei-Afoakwa (2012), all stakeholders affected by public procurement decisions, has the right, and require to have unhindered access to all information regarding the laws, procedures, regulations and the existence of procurement opportunities as well as the facts, figures, mechanisms and processes relating to procurement activities they have interest in. The attribute of a public procurement system that enables this to happen is known as public procurement transparency (Arrowsmith, 2011; Bertók, 2005; Evenett & Hoekman, 2003; Wittig, 2005). Generally, transparency, in all forms, enables citizenry to peep into the operational aspects of government policies and programmes, bringing in its strides accountability to the process of governance and in the process reducing corruption (K. Osei-Afoakwa, 2012).

Also, Freeman (2007) on stakeholder theory has applied the concept of corporate responsibility for service providers to see their clients or the public as they define their existence. It has also been used in the context of organizational change and in combination with governance theories of economic organizations such as agency theory, transaction cost economics and property rights theory (Parvinen et al., 2005).

Furthermore, Public procurement decisions affect all stakeholders in the Ho Municipality and they have the right regarding access to all information on procurements issues which occurred or will occurs in their community. As they are

part of stakeholder community in which procurement decisions are made, their inputs and compliant re not to be taken slightly. Project End Users as stakeholders within Ho Municipality often complaint about their inputs not considered prior to the procurement of public projects and this has called for the need to examine relevant success factors in managing stakeholder's expectation.

Moreover, Freeman (2007) definition of stakeholder as “any group or individual who can affect or is affected by the implementation of the project” called for the need to explore the strategic guide for managing the affect and or affected stakeholders especially when it comes into implementation of public projects as there diverse stakeholder groups to be identified and managed. The stakeholders hold a central role in public procurement management. According to the PMBOK Guide (2005, p. 24), adopting specifications, plans and approaches to different stakeholders' concerns and expectations must be balanced and met among individual stakes. Balancing such expectations has a direct influence on how they are motivated to support proposed project within the community. Hence concerns must be how to find strategic guide to address such relevant factors in the project selection process and management that face the Assembly in evaluating stakeholder resistance to public projects procurement.

### **1.7 Significance of the study**

The significance of the stakeholders cannot be over emphasized as they can delay the implementation of the projects, increase the cost as well as risk the entire project of achieving target objectives if relevant determinants are not assessed (Parvinen et al., 2005). It is finally hoped that the findings from the study would enable various stakeholders improve upon their performance whiles considering how to balance all

interests and power at stake. The overall objective of this thesis is to gain an exploratory understanding of stakeholders' management issues in procuring public projects with the aim of developing strategies for managing stakeholders expectation.

### **1.8 Scope of the Study**

The study is limited theoretically to relevant success factors of stakeholder management, benefits and challenges of stakeholder management, relationship between stakeholder management and project success, impact of stakeholder management on project success among others have been explored contextually in this research. There are many stakeholders available to be engaged and managed but this thesis has been limited to the end user of public project as they defined the existence of the very services been procured.

Furthermore, of the study focused on the public procurement sector in Ghana, with specific focus on Ho Municipal Assembly in the Volta Region of Ghana. Public however, in relation to limited scope especially regarding the focus on Ho Municipality, it is hope that the findings and lesson learnt would be useful for others.

### **1.9 Research Methodology**

The research methodology employed in carrying out the research comprised of the research design, population of study, sample size and technique, sources of data and procedure for data collection and analysis among others.

### 1.9.1 Research design

The field survey approach has been adopted for data collection. This was due to the fact that the study was based on the uses of questionnaire to elicit information from the respondents opinion' in order to generate data for the analysis of the research.

The population of the study was made up of contractors, sub contractors, Assembly members, Opinion leaders, Project end users among others forming the sample size of Sixty (60) from the sample frame. Philosophical concerns are important in research enquiry because they shape the choice of research instruments (Dainty, 2007; Christou et al., 2008). Because stakeholders' management issues are objective realities, an objective ontological position was adopted to answer the research question:

#### **RQ1: What are the relevant success factors of stakeholder management?**

Epistemologically, the research followed the positivist approach where knowledge of relevant success factors issues, established through the accumulation of verified facts, can be identified, distilled and analyzed in an objective manner that facilitates replication (Bryman, 2004). Decisions underpinning the choice of what (or how) to study were examined by objective criteria. A questionnaire survey was subsequently developed to encapsulate underlying measures obtained from both the literature and expert consultations.

Furthermore, Purposive Sampling Technique has been used in collecting data. All respondents were selected according to the individual's experience and belief to meet the requirements of the study. The advantages of this technique are that it requires little time and skills of sampling the views of respondents. This was due to limited time available to complete this thesis.

In addition to the above, the research instrument used for the study was questionnaires as an Instrument designs which was the primary sources of data while textbooks and Internet materials have been used as secondary sources. The research instruments were self-administered in structured format using close questions. Finally, the data was analyzed using Statistical Package for Social Science (SPSS) for data presentation and analysis.

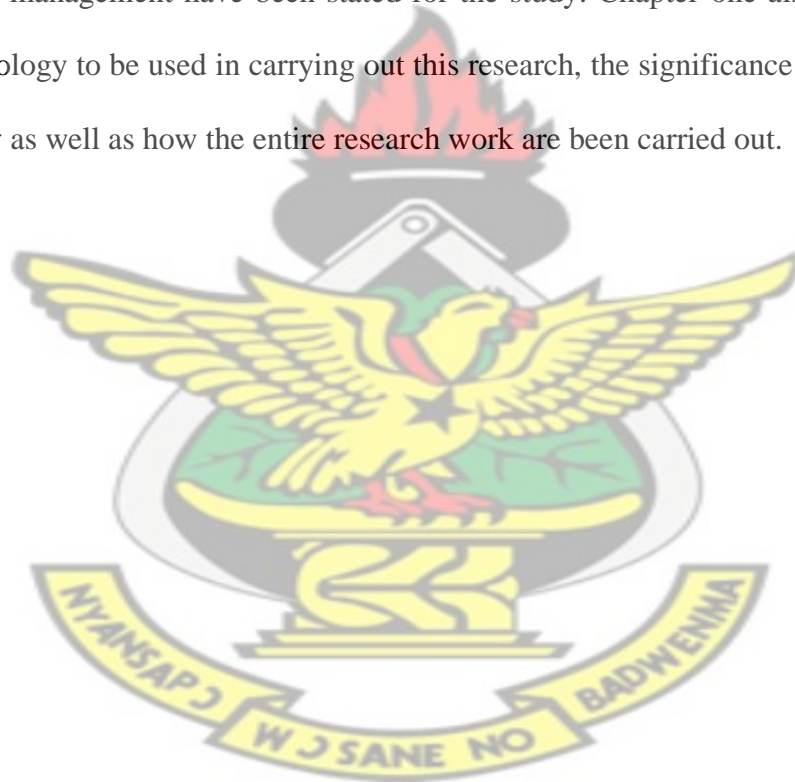
### **1.9.2 Research Outline**

The thesis is made up of five major chapters; with chapter one comprising of the background of the study, statement of the problem, the objectives of the study, hypothesis/research questions, scope and delimitations of study and the significance as in chapter one.

Chapter two was devoted to literature review with a look at conceptual and theoretical aspect of stakeholders' management in public project management or project delivery. Furthermore, the research methodology was tackled in chapter three, in which the data collection and presentation procedures have been examined. Chapter four was made up of analysis of the various data gathered based on the responses from the respondents. The data captured from the respondents were analyzed using Statistical Package for Social Science (SPSS) applications in which One Tail Test was used based on the research questions and other simple statistical analysis were used for interpretations. Finally, summary of major findings, recommendations and conclusions formed chapter five respectively.

## 1.10 Summary

This chapter highlights the background of the study on the issues of stakeholder management in the context of public procurement management. The main objective of the study is to examine strategic guide for managing project stakeholders expectation. The objective provides a comprehensive model for evaluating the salience of various stakeholder groups; i.e. their influence in managerial decision-making processes in procuring public projects (Freeman, 2007). Three specific objectives in the context of challenges, relevant success factors and the benefits of stakeholder management have been stated for the study. Chapter one also highlights the methodology to be used in carrying out this research, the significance and purpose of the study as well as how the entire research work are been carried out.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter deals with literature review that discusses the work of other authors on the topic under study. The chapter has been structured as follows: Previous relevance studies and research work, theoretical framework, and methodological issues.

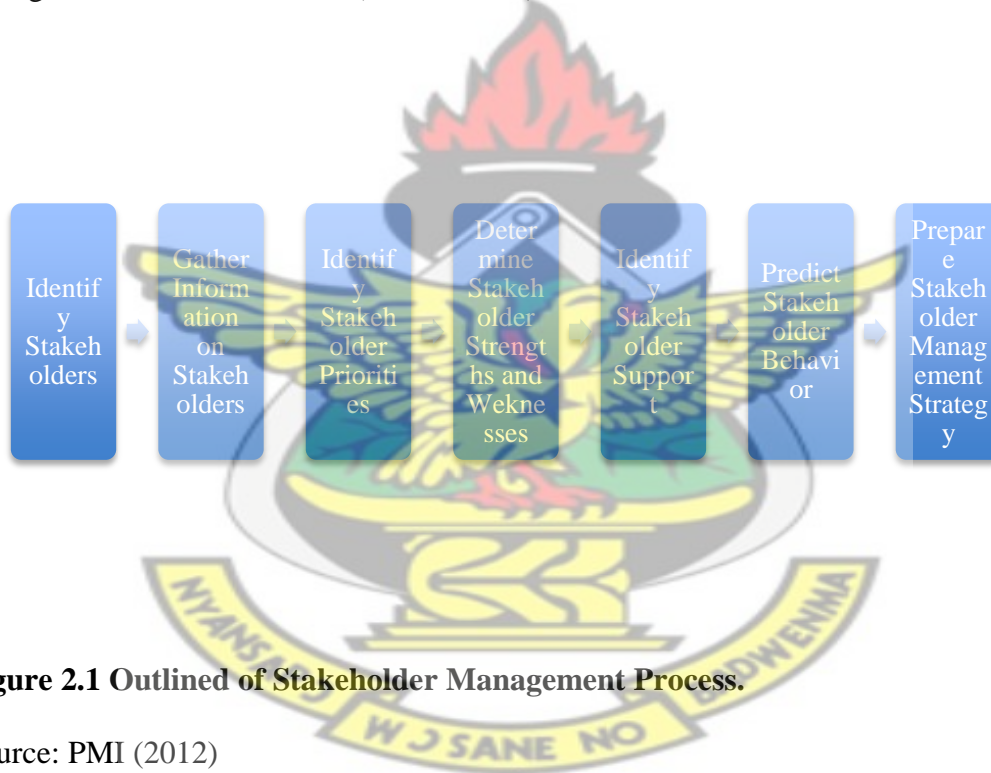
#### 2.1 Previous relevance studies and research work

##### Stakeholders' definitions and concepts

Freeman et al. (2007) brought stakeholder theory into the mainstream of strategic management. Since then, many papers focusing on stakeholder definition appeared in various journals. The term “stakeholder” is defined as “any group or individual who can affect or is affected by the achievement of the firm’s objectives” (Gord Gibben, 2012). The foundation of stakeholder management, and it is characterized as being one of the broadest, in that it can include virtually anyone (Lenox, 2006). In contrast, Gord Gibben (2012), defined stakeholders as constituencies that are affected (favorably or adversely) by the operation of the corporation, regardless of whether they are linked through explicit or implicit contracts.

Several organizations and scholars have also proposed the definition of “project stakeholders”. Project Management Institute (2012) defined project stakeholders as “individuals and organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or successful project completion”. Newcombe (2003) argued that project stakeholders are groups or individuals who have a stake in, or expectation of, the project’s performance and include clients, project managers, designers, subcontractors,

suppliers, funding bodies, users and the community at large. The implication of these definitions is that a stakeholder is any individual or group with the power to be a threat or a benefit (Aaltonen, et al; 2008). Based on these definitions, a large number of stakeholder theories (Aaltonen, et al; 2008) and stakeholder management process models (Lenox, 2006) have been proposed. The purpose of stakeholder management is to address the diverse views of various participants, improve communication among stakeholders, and clarify their needs (Lenox, 2006). The existence of stakeholders is a continual process in all-organizational activities and is necessary in all organizational frameworks (Lenox, 2006).



**Figure 2.1 Outlined of Stakeholder Management Process.**

Source: PMI (2012)

Cleland and Ireland (2002) earlier came out with principles of stakeholder management cited by (Aaltonen, et al; 2008).

<b>PRINCIPLES OF STAKEHOLDER MANAGEMENT—“THE CLARKSON PRINCIPLES”</b>	
<b>PRINCIPLE 1</b>	Managers should acknowledge and actively monitor the concerns of all legitimate stakeholders, and should take their interests appropriately into account in decision making and operations.
<b>PRINCIPLE 2</b>	Managers should listen to and openly communicate with stakeholders about their respective concerns and contributions, and about the risks that they assume because of their involvement with the corporation.
<b>PRINCIPLE 3</b>	Managers should adopt processes and modes of behavior that are sensitive to the concerns and capabilities of each stakeholder constituency.
<b>PRINCIPLE 4</b>	Managers should recognize the interdependence of efforts and rewards among stakeholders, and should attempt to achieve a fair distribution of the benefits and burdens of corporate activity among them, taking into account their respective risks and vulnerabilities.
<b>PRINCIPLE 5</b>	Managers should work cooperatively with other entities, both public and private, to insure that risks and harms arising from corporate activities are minimized and, where they cannot be avoided, appropriately compensated.
<b>PRINCIPLE 6</b>	Managers should avoid altogether activities that might jeopardize inalienable human rights (e.g., the right to life) or give rise to risks which, if clearly understood, would be patently unacceptable to relevant stakeholders.
<b>PRINCIPLE 7</b>	Managers should acknowledge the potential conflicts between (a) their own role as corporate stakeholders, and (b) their legal and moral responsibilities for the interests of stakeholders, and should address such conflicts through open communication, appropriate reporting, and incentive systems and, where necessary, third-party review.

**Figure 2.2 Principles of Stakeholder Management**

Source: (Aaltonen, et al; 2008).

The principles of stakeholder management outlined above by Cleland and cited by Aaltonen, et al. (2008) affirmed the belief that there is the need to identify and manage stakeholders within the public procurement process. For instance, monitoring their legitimate concern and interest create an opportunities to the procuring entity in meeting stakeholders needs and eventual avoidance of potential conflicts among various stakeholder groups.

The basic idea of stakeholder theory is that the organization has relationships with many constituent groups and that it can engender and maintain the support of these

groups by considering and balancing their relevant interests (Lenox, 2006) outline the basic premises of stakeholder theory as follows:

- The corporation has relationships with many constituent groups (“stakeholders”) that affect or are affected by its decisions (Lenox, 2006).
- The theory is concerned with the nature of these relationships in terms of both processes and outcomes for the firm and its stakeholders;
- The interest of all (legitimate) stakeholders had intrinsic value, and not one set of interests is assumed to dominate the others (Lenox, 2006).
- The theory focuses on managerial decision-making (Lenox, 2006).
- Overall, a central and original purpose of stakeholder theory is to enable managers to understand stakeholders and strategically manage them (Lenox, 2006).

The managerial importance of stakeholder management has been accentuated in various studies (Moldoveanu, 2003) that demonstrate that just treatment of stakeholders is related to the long-term survival of the organization.

While having its origins in strategic management, stakeholder theory has been applied to a number of fields and presented and used in a number of ways that are quite distinct and involve very different methodologies, concepts, types of evidence and criteria of evaluation. As the interest in the concept of stakeholders has grown, so has the proliferation of perspectives on the subject (Friedman and Miles, 2002).

Lenox et al. (2006) has developed a well-known and debated taxonomy of stakeholder theory types in order to clarify the conceptual ambiguity in the field. They argue that stakeholder theory contains three different alternative aspects: descriptive/empirical, instrumental and normative.

Descriptive/empirical theory is used to describe and sometimes or also to explain specific corporate characteristics and behaviors. Therefore, this aspect describes and explains how firms and their managers actually behave. Instrumental theory, in turn, identifies the connections between stakeholder management and a corporation's performance objectives, such as profitability and growth (Lenox, 2006). Therefore, this perspective tells us what happens if a stakeholder management approach is adopted. Recently, in particular growing empirical literature has investigated the association between social and environmental consciousness and the profitability of companies (e.g. Ruf et al., 2001). Finally, normative theory is concerned with the identification of moral or philosophical guidelines for the management of corporations and describes what managers should do vis-à-vis dealing with stakeholders. In other words, this perspective focuses on the moral propriety of the behavior of corporations.

Following the work of Freeman et al. (2007) stakeholder theory has been put into two broad categories: 1) social science based theory, including instrumental and descriptive/empirical approaches and 2) ethics –based theory, focusing on normative issues and linking stakeholders to corporate social responsibility and ethics discussion. They continue by suggesting convergent stakeholder theory, which combines normative and instrumental elements and demonstrates how managers can create morally sound approaches to business and make them work. Steuer (2006), in turn, divides stakeholder theory into three different perspectives: corporate, stakeholder and conceptual. Following Steuer (2006), the corporate perspective deals with how corporations manage stakeholders, the stakeholder perspective deals with how stakeholders try to influence the organization and the conceptual perspective investigates how particular concepts such as common good or sustainability relate to

business-stakeholder interactions.

Prior stakeholder literature has presented various conceptualizations and definitions of stakeholders ranging from broad to narrow views. The most classic and rather broad definition of a stakeholder is the one provided by Freeman cited by (Aaltonen, et al; 2008) “A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 2007). This broad view is based on the acknowledgment and empirical reality that companies can indeed be vitally affected by, or vitally affect, almost anyone (Freeman et al. 2007). Freeman’s definition is broad in the sense that it does not specify the stake or relationship that stakeholders have with the firm. Nor does the definition take a stance on whether the claims of the stakeholders are legitimate or not. However, Freeman’s definition actually implies two types of stakeholders: strategic and moral.

An early definition of stakeholders adopts an instrumental viewpoint and associates stakeholders with the survival of the firm, as stakeholders are “those groups without whose support the organization would cease to exist” (Gord Gibben, 2012). Therefore, this definition narrows stakeholders to those groups who are relevant in terms of the firm’s economic interests. Clarkson, in turn, (1994) defines stakeholders through risks, because he states that “voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm. Involuntary stakeholders are placed at risk as a result of a firm’s activities. But without the element of risk there is no stake” (Gord Gibben, 2012) remarks of involuntary stakeholders implicitly denote that in order for one to be a stakeholder, a relationship with the firm does not have to be actual, but it can also be potential. In other words, a stakeholder might be influenced or is potentially a future

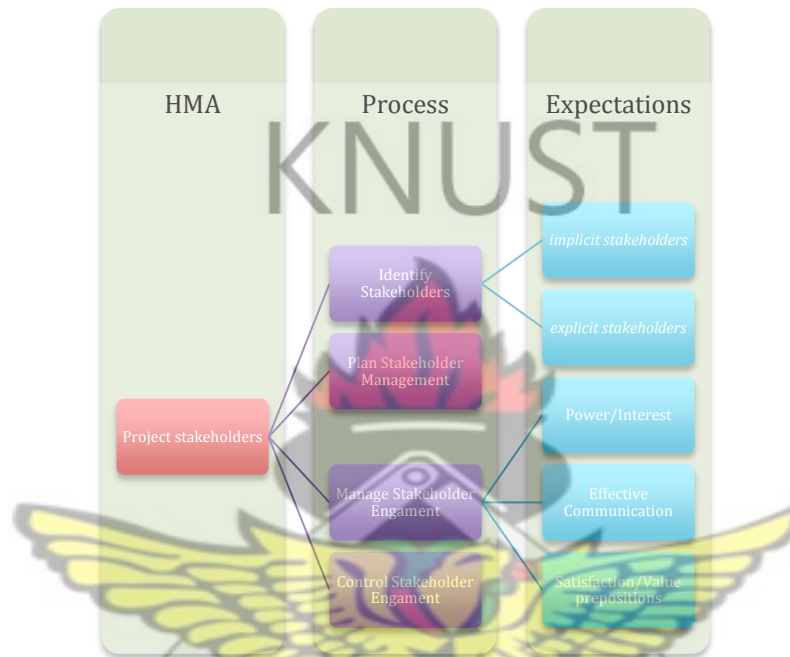
influencer of an organization. Lenox (2006) define stakeholders by their interest and ability to influence the organization; according to the authors, stakeholders “has an interest in the actions of an organization and the ability to influence it”. Lenox, (2006) in turn emphasizes the legitimacy of stakeholder relationships in the stakeholder definition “having some legitimate, non-trivial relationship with an organization, such as exchange transactions, action impacts, and moral responsibilities” (Gord Gibben, 2012). This definition highlights the nature of relationships between stakeholders and the organization.

The relationships between stakeholders and the firms have also been defined either more broadly or more narrowly. Some stakeholder definitions narrow stakeholders to only those who are participants in exchange relationships (Prager et al; 2009).

These views adopt a strategic perspective and accentuate the fact that companies have only limited resources and limited time that they can spend on dealing with their stakeholders. Therefore, it is in the interest of management to identify and pay attention to those stakeholders who have relevance on the company’s economic interests. Stakeholders can also be defined through their informal relationships and moral claims towards the organization. These views consider the development and sustainment of moral relationships with stakeholders as the firm’s responsibility. Therefore, such views resemble the ideas of corporate social responsibility and intersect with the ethics literature (Lenox, 2006).

## 2.2 Theoretical Framework

Conceptually, project stakeholder expectation is an independent variable which has been examined through public procurement process with specification on procurement of works of public projects. The dependent variable is strategic guide for managing project stakeholders expectations.

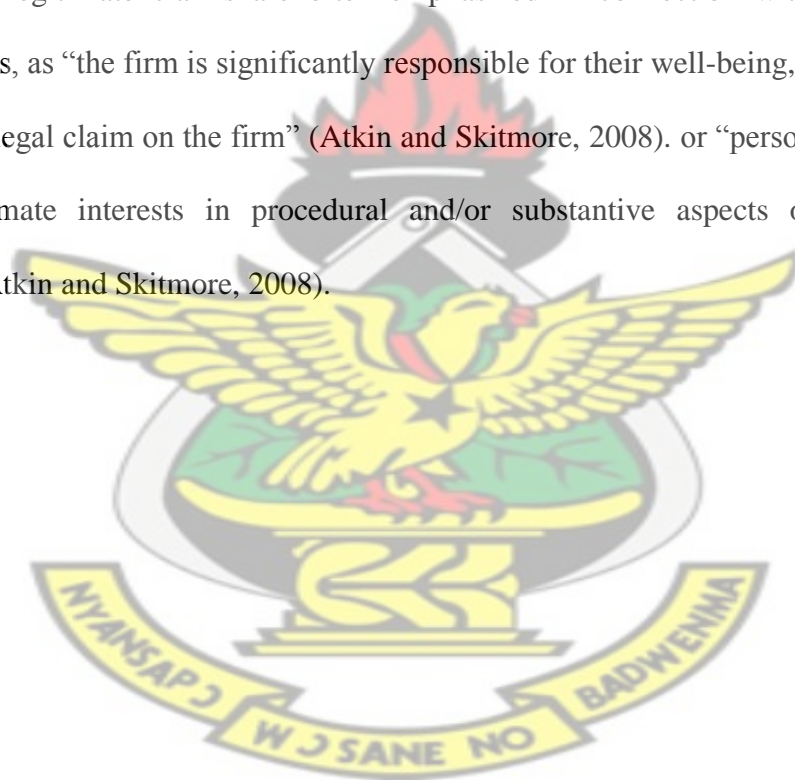


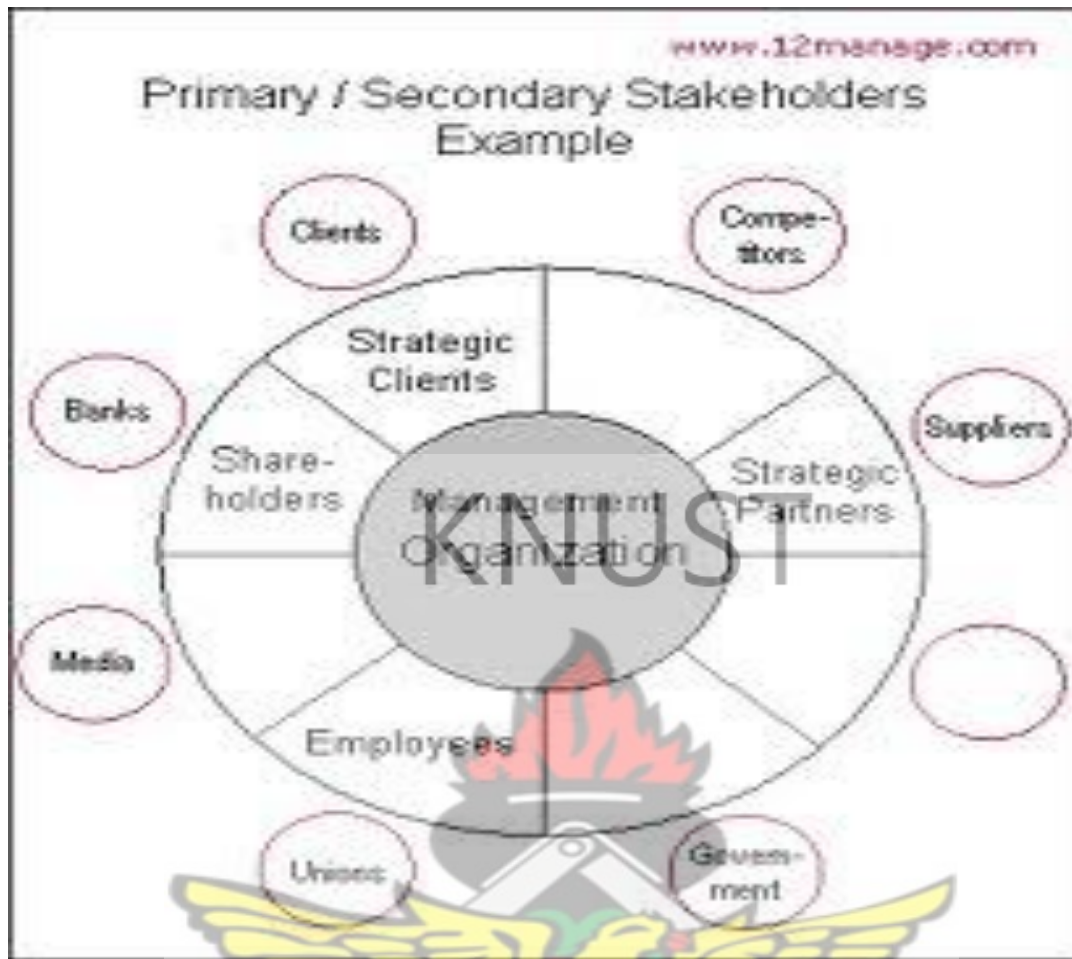
**Own source (2013): HMA Project Stakeholders Management and Expectations.**

### Identification/Categorization of Stakeholders

Prior literature has suggested a variety of different types of stakeholder categorization schemes. Lenox (2006) divide stakeholders into *claimants* and *influencers* and consider the potential of stakeholders to threaten or cooperate with the organization. Stakeholders can also be divided to *internal* and *external* stakeholders (Lenox, 2006). Internal stakeholders are, for example, employees, customers and stockholders, while examples of external stakeholders are community activists, media, advocacy groups and other nongovernmental organizations. Eesley and Lenox (2006) divides stakeholders into *primary* and *secondary* stakeholders. Secondary stakeholders are not

directly associated with the focal organization because they lack a “formal contractual bond with the firm” or “direct legal authority” over the firm (Eesley and Lenox, 2006). In turn primary stakeholders, such as employees and customers, are in a direct association with the firm, engaged in transactions with the firm or have direct legal authority over the firm. This is the case, for example, for governmental organizations. There is a high level of interdependence between the corporation and its primary stakeholders. In turn, secondary stakeholders are not directly engaged with economic activities, but are still able to influence an organization (Atkin and Skitmore, 2008). Moral and legitimate claims are often emphasized in connection with secondary stakeholders, as “the firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm” (Atkin and Skitmore, 2008). or “persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity” (Atkin and Skitmore, 2008).





**Figure 2.3: Primary and Secondary Stakeholders**

Source: (Eesley et al., 2006).

Stakeholders have also been divided into *strategic* and *moral* stakeholders. Strategic stakeholders are considered to be able to affect the firm. Therefore, the management of their interests is essential (Eesley and Lenox, 2006). Moral stakeholders are those who are affected by the firm (Eesley and Lenox, 2006). Gord Gibben (2012) views stakeholders, as those who are either *resource providers* for the firm, or those who are *dependent* on the firm. In turn, Fassin (2009) criticizes earlier stakeholder conceptualizations and categorizations for ambiguity and suggests that a distinction should be made between *stakeholders*, *stakewatchers* and *stakekeepers*. In Fassin's (2009) categorization stakeholders are those who have a concrete and real stake in a company. Stakewatchers, in turn, do not really have a stake themselves but they

protect the interests of real stakeholders. Examples of stakewatchers are unions and community pressure groups. Finally, stakekeepers are the independent regulators who have no stake in the firm but have influence and control, such as governments, regulatory agencies and certification organizations.

Project management scholars have categorized stakeholders in a variety of ways. Most prominent in the literature are categorizations based on stakeholders' involvement in the project and the nature of their relationship with the project, the nature of stakeholders' claim and position towards the project, the stakeholders' role in the project, and the degree to which stakeholders' behavior can be anticipated.

*Internal* stakeholders are “the stakeholders who are formally members of the project coalition and hence usually support the project” (Winch, 2004). The concept of internal stakeholders is oftentimes used analogously with the concepts of primary stakeholders (Atkin and Skitmore, 2008) or business actors (Cova and Salle, 2005) in contemporary project management literature. Such stakeholders have a formal, official, or contractual relationship with the organization (Winch, 2004) or are directly involved in an organization's decision-making processes (Atkin and Skitmore, 2008). Examples of internal stakeholders are clients, sponsors, contractors, and suppliers. *External* stakeholders are not formal members of the project coalition, but may affect or be affected by the project. Such groups are often referred to as non-business stakeholders or secondary stakeholders (Cova and Salle, 2005). External stakeholders can be further broken down into private and public actors (Winch, 2004). Examples of private actors are local residents, local landowners, environmentalist and conservationists; examples of public actors are regulatory agencies, local governments and national governments. Therefore, external stakeholders may have a direct legal authority over the project. Yet, there exists conceptual disagreement

among project management scholars with regard to the division between internal and external stakeholders. For example, Olander (2005) and Landin (2007) consider internal stakeholders as those who are actively involved in the project execution and external stakeholders as those who are only affected by the project. Thus, their definition of internal stakeholders also includes authorities. Atkin and Skitmore (2008), in turn, define as external stakeholders those affected by an organization's activities in a significant way. Consequently, these categorizations do not include such groups that can affect the project as external stakeholders. Ward and Chapman (2008) define internal stakeholders as project owners in the sense that they have overall managerial responsibility and power in the project. They postulate that internal stakeholders usually have a financial stake in the project or are in a contractual relationship with the project owner.

According to Ward and Chapman (2008), all other stakeholders are external stakeholders who may seek to influence the project through political lobbying, regulation, campaigning or direct action. As mentioned above, some project management scholars regard internal stakeholders to be equivalent to primary stakeholders and external stakeholders to be equivalent to secondary stakeholders (Winch, 2004). In these perspectives, the categorization of entities that have legal authority over the project, for example authorities, government and competition authorities, becomes problematic, as they are considered to be secondary stakeholders. This logic is not in line with stakeholder research, which classifies those who have legal authority over the corporation as primary stakeholders (Gord Gibben, 2012).

Project stakeholders can also be divided into those who *promote* the project and those who *oppose* it (Winch, 2004). McElroy and Mills (2003) propose a more fine-grained model with five different levels of stakeholder position towards the project: active opposition, passive opposition, noncommittal, passive support and active support. These positions towards the project ultimately determine the impact of each stakeholder on the project's decision making. Mathur et al. (2008) distinguish between those scholars that view stakeholders as claimants and those who view them as influencers. Olander (2007), however, postulates that this distinction is problematic because it implies that the media would not be classed as a stakeholder despite having the potential ability to significantly affect a project's activities and performance.

In addition, stakeholder categorizations in project management literature include the division of stakeholders according to their *functional role* in a project, such as client, contractor, customers, sponsors, local community members, NGOs, media, lobbying organizations, and government agencies (Cova et al., 2002). For example, (Aaltonen et al; 2008) divide project actors into *business actors* including (e.g. suppliers, buyers and consultants), *community actors* including (e.g. non-governmental and not-for-profit-organizations), and *government actors* including (e.g. ministries, universities and research units). Rowlinson and Cheung (2008) build on Walker et al. (2008) and divide stakeholders into classes of *upstream stakeholders* (paying customers and end users), *downstream stakeholders* (suppliers and subcontractors), *external stakeholders* (general community and independent concerned parties), *invisible stakeholders*, who engage with the project team in delivering the ultimate project benefit but whose co-operation is vital for project success, and *project stakeholder group* (project sponsor or champion and project delivery team). The role perspective, denoting that stakeholders can be classified on the basis of the role(s) they are playing, has also

been brought up by Vos and Achterkamp (2006) in the innovation project context.

More recently, Moodley et al. (2008) have adopted a contract-based approach and categorized stakeholders according to the extent to which their behavior in the project can be anticipated. They divide stakeholders into *explicit stakeholders* (such as financiers, partners, owners, sponsors and equity holders) *implicit stakeholders* (such as regulators, 1<sup>st</sup> tier suppliers, staff, and users) *implicitly recognized stakeholders* (such as community 2<sup>nd</sup> tier suppliers, government, local government, relevant NGOs, and unions) and *unknown stakeholders* (such as interest groups, 3<sup>rd</sup> tier suppliers, trade associations, public, and overseas regulators).

However, according to recent publication of Project Management Institute, PMBOK Five, and Gord Gibben EPO e-Book (2012) have classified project stakeholders into eight major categories. These include ***Output delivery stakeholders***, which are individuals, groups, or organizations responsible for the delivery of project's outputs. They include project team members who are closest to the action and will provide much of the information that goes into the project reports such as progress and status report as part of their communication requirements. Contractors and subcontractors are part of this group who may be project participants involved in the achievement of project objectives, responsible for specific deliverable or be accountable for the entire project work package. ***Product/Project usage stakeholders***, (the focus of this thesis) directly or indirectly use the project products, they include Business users who are concerned with usability and quality of the project end deliverables. They are typically heavily involved in activities like requirements definitions package solution selection, application prototyping etc and need more detailed reporting on the

activities and less information on more technical tasks. Also, included in this group are customers or the public who may use the project product directly. Customers or the public are rarely directly involved in the product development but they may need to be kept informed on the project progress. The classification is the ***Product support stakeholders*** who are responsible for ensuring that the project product is available for use by the product usage group. In this case they may be the district assembly with its technical support staffs. Support stakeholders include application and technical support groups. Application support stakeholders provide operational support and enhancements to functionality over the life of the application (Gord Gibben, 2012). They often originate as members of the project team. Technical support group includes the service or help desk, production operations, infrastructure, and database administration group. Interested in scalability and stability as well as the deployment plans (Gord Gibben, 2012).

***Funding Authority stakeholders*** are accountable for the outcome of the project and grant approval for release of funding and provision of resources. They are corporate owners of the project and support the achievement of project objectives. Funding authority stakeholders include executives, project sponsors, business management, creditors and investors, and shareholders. For instance, according to Gord Gibben (2012), the executives need to answer four questions at the onset of the project: what business requirement does the project address, what is the project justification (benefits, urgency), how much will the project cost, and how long will the project take. They need to be kept informed if any of these answers change over the project. Project sponsors ensure project resources funding and budget are available for the project and ensure that other management stakeholders understand the strategic impact of the project. Also, creditors are interested on return on investment and

business management has stake in the project cost and schedule and will want reports on expenditures and progress towards schedules milestones (Gord Gibben, 2012). **Contributor stakeholders** are individuals or groups who provide inputs and services to the project. They include service groups, suppliers and in some cases contractors. The main difference between contributors and output delivery stakeholders is commitment level. Contributors are involved in the project, and their main concern is meeting their specific product or service obligation. The service group may include Legal, Procurement, Human Resources, Finance, and Training. Suppliers and contractors group are interested in meeting their contractual obligations and their reporting requirement may change from the pre to post-award stages of procurement (Gord Gibben, 2012).

Furthermore, the **Review or Audit Stakeholders** the review or audit the project and it's deliverables to ensure that proper processes are followed and the quality of deliverables meet appropriate standards (Gord Gibben, 2012). They include Architectural or Technical Review group (concerned with consistency, reliability and scalability of technology being used), Project Management Office (PMO), (provide guidelines and templates to projects and responsible for project audits and post project reviews), Quality Review groups (perform quality audits of project processes or deliverables with intent of improving the effectiveness and efficiency of the project team. Auditors –internal and external auditors are concerned with project expenditures and the awarding of contracts. Internal auditors may be involved in the procurement process and may be members of the Project Steering Committee (Gord Gibben, 2012). Other review or audit stakeholders including Consumer groups (or special interest) groups may be related to: product or service delivered by the product, the process to be followed on the project, and the membership of the project team.

They must be kept informed of project progress and decisions that are related to their special interest. Regulatory Agencies usually government agencies ensure that the project stays within the applicable regulations and bylaws. Finally, in this group is the Environmental Agencies who monitor the impact of the project on the environment and provide clearances based on environmental impact assessments. Often Environmental Agencies and Regulatory Agencies make or break a project and may require significant lead times for requests (Gord Gibben, 2012).

The *Outcome Affected Stakeholders* are stakeholders affected by the outcome of the project and may include the public/press/media, unions or bargaining units, and competitors of the organization. For instance, high profile projects may require public relations activities to manage the expectations of the general public and the press/media. Unions or bargaining units will negotiate new bargaining agreements with management on behalf of their membership may provide parameters for project work including hours of work, overtime rates, or even resource selection. Competitors may be interested in the outcome of the project and how it affects competition. This may necessitate non-disclosure agreements and secure handling of project information (Gord Gibben, 2012).

*Related Project Stakeholders* comprised of related projects both internal and external which may impact the project team's ability to meet their objectives. Other project managers and team provide inputs to or receive outputs from the project. The inter-project dependencies will require communication. Both project programs and project portfolios are part of stakeholders classification because projects are part of a program and may requires coordinated status reporting to achieve strategic objectives and benefits whiles projects that are part of a portfolio may have the need for consolidated status reporting hence, the need to regard them as stakeholders (Gord Gibben, 2012).

Stakeholder Category	Stakeholder Name	Project Stake	Commitment Required	Internal/External	Further Analysis	Preferred Medium	Technology Access	Special Information Needs

Table 2.1 Stakeholder Identification Sheet

It is therefore means that through proper identification of the stakeholders in which priorities could be put in place for effective and efficient management. Their priorities could be determined by what each stakeholder’s schedule, cost and project quality are and how to communicate with them. Their priorities according to PMI, 2012 may change during the project based on their interest in the project, expectations, and stakeholder objectives.

Our next discussion will be on managing the needs and expectations of the *Product/Project usage stakeholders’ which is the focus of this study.*

### **Stakeholder Operations And Public Procurement Authority in Ghana.**

The Public Procurement Authority (PPA) on September, 2013 met with stakeholders to officially launch the review and re-designing of existing Standard Tender Documents (STDs) for the procurement of goods, works and services. The meeting was to provide a platform for stakeholders to make suggestions for the review and re-design of the national document. Mr Samuel Sallas-Mensah, Chief Executive Officer of PPA, said since the introduction of the STDs, the world of procurement had moved on and many changes had occurred in the way tender documents were formed,

including changes in specifying requirements of how goods, works and services are procured. “Our Sustainable Public Procurement (SPP) has to keep pace with such changes. In addition to such changes, certain operational difficulties have been identified with some existing STDs,” he said. Chief Executive Officer of PPA further stated that the review had become necessary at a time the public was demanding greater accountability and transparency in the conduct of procurement with public funds. Furthermore, Public Procurement Act, 2003 (ACT 663), was being amended to reflect current developments. Such further development will support in strengthening monitoring and evaluation in Ghana’s Public procurement system as stakeholders monitor and evaluate the procurement process. According the GNA December 2010 report, the Swiss government in conjunction with government of Ghana have being engaging in capacity buildings and involving stakeholders in public procurement projects to enhance service delivery and to promote transparency the procurement process. The concept has led to the inauguration of a multi-stakeholder Ghana Taskforce on Sustainable Public Procurement (GTF) that had embarked upon intensive sensitisation exercises on the need to consider and apply sustainable criteria in Ghana’s procurement. Director of Policy and Strategy at the PPA, according to the report, has also indicated the review and re-design of the STDs would ensure clarity, modernization and value for money. And further indicated that some stakeholders had complained about the lack of clarity of certain aspects of the existing STDs and have also argued that the documents did not include new issues that have come up on the global scene regarding sustainable best practices in public procurement.

Clearly this has demonstrate beyond reasonable doubt that individuals stakeholders and for that matter the public in which these services are procure for are much aware about this activities of the Assemblies and for the Assemblies to be effective and

efficient, the product or project end users expectations are to adequate manage and properly engage.

### **Needs And Expectations In Project Delivery**

Following an extensive literature search, two models are selected, namely: the strategic needs analysis (SNA) model (Smith et al., 2001) and the stakeholder management model (Jergeas et al., 2000) which was cited by (Aaltonen et al., 2008).

The pre-design stage of construction projects is seen to be the focal point of construction project development. At this juncture, attention is given primarily to assessing the needs of the client, stakeholders and those of the design team. This is in line with the opinion of (Cleland and Ireland, 2002) who stressed that decisions made during the formative and early design stages in the life of a project are seen as critical factors that must be taken into account if a project is to be delivered on time, to budget and to the desired quality. It is during these early stages that most of the critical decisions that affect the economy, efficiency, timing, functional content, appearance and the real value of the project are finalized and streamlined. Indeed, PMI, 2012 have agreed that successful project performance is achieved when stakeholders meet their requirements, individually and collectively.

Previous literature suggests that in order to incorporate the needs of stakeholders into the formative stage of a project, it is necessary to allow the stakeholders to express their needs, views and expectations in an appropriate forum. In relation to this approach, Smith et al. (2001) in their studies proposed a model called Strategic Need Analysis (SNA) to assist clients, stakeholders and their design teams in determining their strategic needs for a given project. The SNA process is based on the involvement of as many significant stakeholders as is practically possible. The group includes:

client; managers/executives, facility managers, project managers; employees; end-users, consultants and other design team members (Smith et al., 2001). The structure of the SNA process is based on the involvement of stakeholders at three levels, which consist of *briefings, seminars and workshops*. Level 1 is the briefing stage, where briefing is conducted in the form of seminars and workshops. At level 2, participants will be involved in developing alternative strategies for the achievement of corporate missions, whereas in level 3, participants will develop a detailed performance brief for the project implementation (Smith et al., 2001). The outcome of SNA is in developing a comprehensive performance brief to guide project team members to develop the project within adequate parameters (Smith et al., 2001).

Here the question has do with whether in most of public procurement projects where do we engage the end users of the project as an mitigating strategy from public disapproval of final delivery projects in our districts and communities.

Cleland and Ireland (2002) proposed a model of stakeholder management for construction projects. In their model, project stakeholders were initially defined and there followed an examination of the data collected during interviews with five project managers who work in three companies within the oil and gas industry. Ten major structured questions were asked and the expected answers were based on overall experiences. The ten questions are: processes used (formal/informal) to identify project stakeholders; effectiveness of the processes; methods employed to obtain stakeholder buy-in; typical stakeholders on a construction project; managing stakeholders throughout the project life cycle; maintaining the alignment of stakeholders during the project; obtaining feedback from stakeholders; communication interfaces with stakeholders in advance; improving stakeholder

management; and, finally, problems encountered in the mismanagement of stakeholders. The results revealed that both formal and informal processes are used to identify project stakeholders and the processes are highly effective. Nevertheless, the formal process is more significant in order to obtain a stakeholders' buy-in.

In summary, Cleland and Ireland (2002) concluded that in order to improve stakeholders management, communication, common goals, objectives and project priorities need to be systematically planned prior to embarking on the project. Developing a more formalized process will avoid assumptions arising from the fact that the projects are very similar to one another. The limitation of this model is that the sample is too small and the results obtained might not be statistically valid. However, it does provide some guidelines for important elements in managing project stakeholders in the district assembly projects.

From the discussion so far, there is the need for us to identify some critical success factors that will enable project procurement managers manage their stakeholders successfully. In order to appreciate and put the work into proper perspective and context, some critical success factors have been explored to understand the management of the stakeholders.

### **Relevant Success Factors for stakeholder management**

#### **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 (Cleland and Ireland, 2002). 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. Moodley et'al

(2008), proved further that “setting common goals, objectives and project priorities” is significant for improving stakeholder management.

### **Identifying stakeholders**

Most scholars studying stakeholder management (Olander 2006; Walker et al. 2008; Jepsen and Eskerod 2008) have pointed out the significant importance of identifying stakeholders. Though the project stakeholders can be divided into different types, according to various criteria in Pinto (1998), the question of “who are stakeholders?” (Freeman et al. 2007) should be answered first before classifying and managing stakeholders.

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

There are various stakeholders’ interests due to the complex nature of construction projects for instance. 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, Karlson (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 (Freeman et al., 2007) during stakeholder management process. Stakeholders' behavior can be sorted into 3 categories: observed behavior, cooperative potential, and competitive threat (Freeman et al., 2007). Freeman et al. (2007) state that project managers need to clearly understand the range of stakeholder reactions and behaviors. By studying a pulp mill construction project in Uruguay, Aaltonen et al. (2008) identified 8 different stakeholders' behaviors/strategies employed to shape salience attributes. This study further demonstrates the significance of assessing stakeholders' behaviors.

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

Project management procedure affected by project stakeholders (Olander, 2007). 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. (Bourne, 2005) 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” (Freeman et al., 2007). 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” (Freeman et al., 2007). 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” (Freeman et al., 2007). 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 et al., 2007). Types of conflict include “substantive conflict and emotional conflict” (Schermerhorn et al., 2003). Project managers should know the potential conflicts stemming from divergent interests (Freeman et al., 2007). Project managers should also search for possible coalitions among stakeholders. This concept comes from Freeman’s strategy model (Freeman et al., 2007). He believes the groups, who share objectives, stakeholders or interests

about the project, can be more likely to form coalitions.

### **Compromising conflicts**

Since there are various conflicts among stakeholders, compromising these conflicts become important for project managers to make decisions (Freeman et al., 2007). There are positive relationships between conflict resolution and satisfaction of stakeholders confirmed by Leung et al. (2005) with a questionnaire survey. How to make a “multi-win” compromise solution is a problem faced by project teams ((Moodley et’al 2008).

### **Promoting a good relationship**

Successful relationships between the project and its stakeholders are vital for successful delivery of projects and meeting stakeholder expectations (Freeman et al. 2007). Trust and commitment among stakeholders can be built and maintained by an efficient relationships management (Bourne, 2005; Karlsen et al., 2008).

### **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?*”

Similar result was obtained by Karlsen (2002) from a survey he stated that there are different types of the strategies, but basically the stakeholder management strategy is the attitude by which 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.

### **Predicting stakeholders’ reactions**

‘Stakeholders’ reactions to the strategies’ are an important factor when project managers make decisions about strategies to deal with stakeholders (Freeman et al., 2007). By applying fuzzy set method, he emphasized his studies on the feasibility and acceptability of strategies for stakeholders. Therefore, a project team should proceed to predict stakeholder behavior in implementing strategy (Moodley et al, 2008).

### **Analyzing the change of stakeholders**

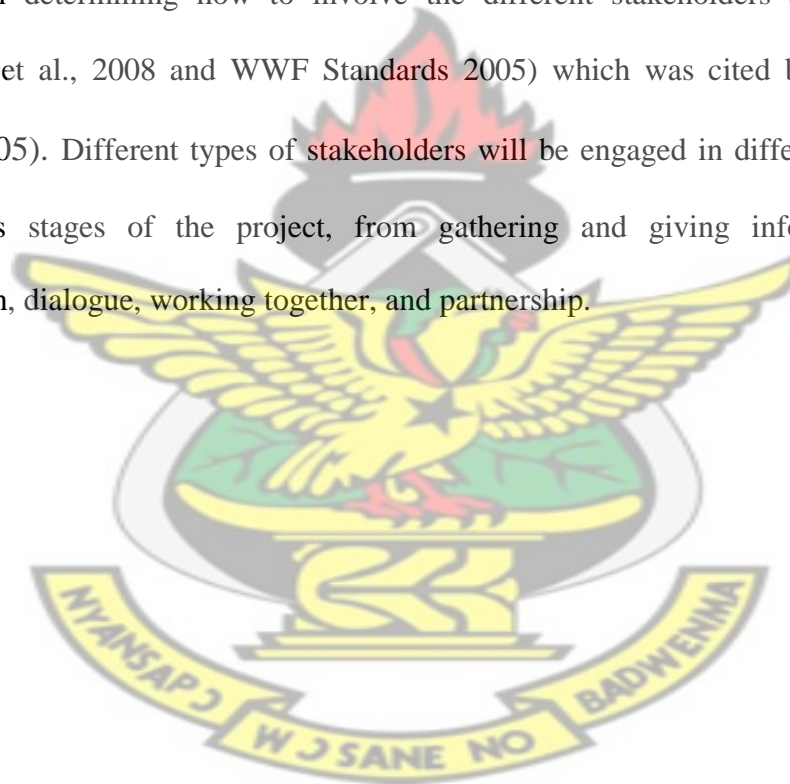
The concepts of the change and dynamics of stakeholders were acknowledged by (Freeman et al., 2007). According to him, in reality stakeholders and their influence change over time, and this depend on the strategic issue under consideration. Dynamics of stakeholder is a very interesting and important aspect of the stakeholder concept (Elias et al., 2002). The uncertainty caused by stakeholders includes “who the stakeholders are”, their influence, their needs, and the implications of relationships among stakeholders (Ward and Chapman, 2008).

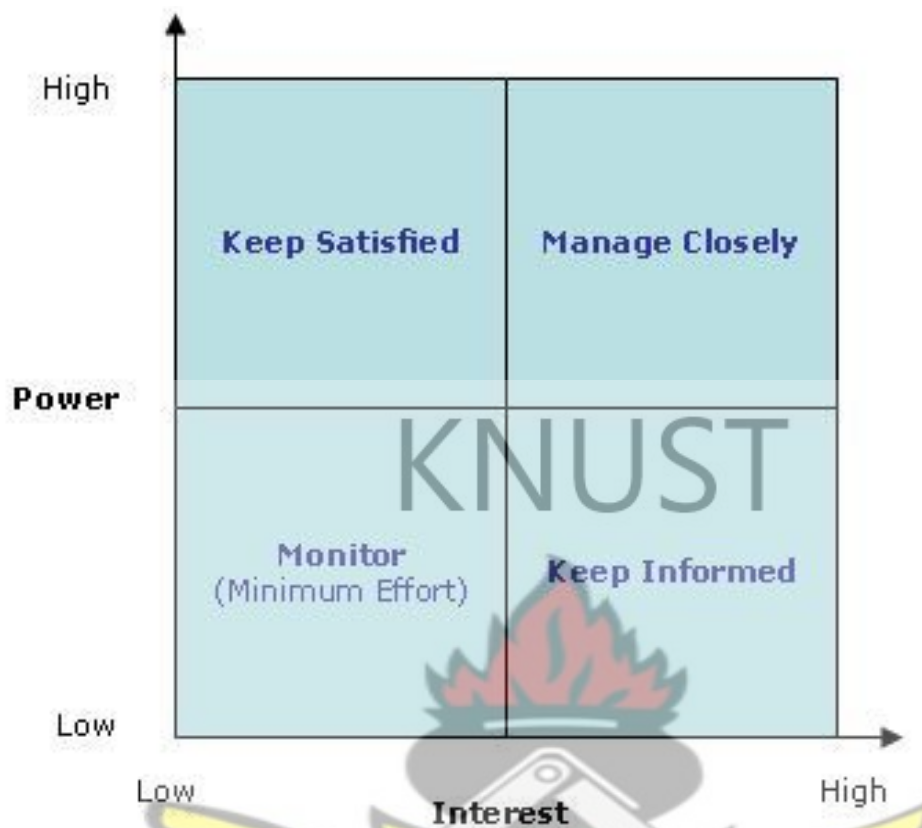
### **Ensuring effective communication**

Communication is essential for maintaining the support and commitment of all stakeholders (Moodley et al, 2008). Effective, regular, and planned communication with all members of the project community is necessary for project success (Moodley et al, 2008). 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. According to PMI (2012), the communication style to be used depends on the need to control both the message content and the audience involvement as indicated by Mary Munter in her Guide to Managerial Communication (2002), that you (***Tell, Sell, Consult and Join***).

Finally, the power-interest relationship with stakeholders enable project managers to know the level of influence each of the stakeholders hold and how to manage as well as communicate with them for successful project. This has been outlined with the step involved in determining how to involve the different stakeholders according to (Aaltonen, et al., 2008 and WWF Standards 2005) which was cited by Bronwen Golder 2005). Different types of stakeholders will be engaged in different ways in the various stages of the project, from gathering and giving information, to consultation, dialogue, working together, and partnership.





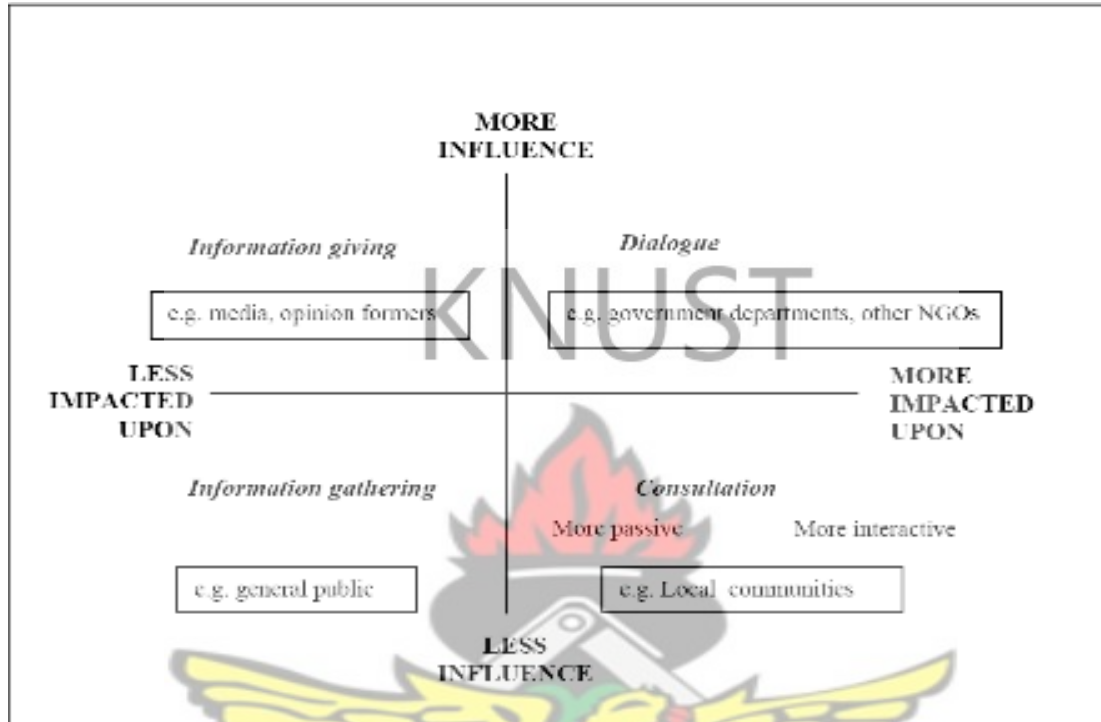
**Figure 2.4: Power-Interest Relationship with Stakeholders**

Source: (Aaltonen, et'al, 2008).

The Power/Interest Grid is part of Project Communication Management (PMBOK, 2005). The grid served as part of Stakeholder Management help the project manager during the stakeholder analysis of a project, to: Document the interests and motivations of stakeholders in the project, Identify conflicting interests between stakeholders, Identify relationships between stakeholders and Determine the level of participation required from each stakeholder (PMBOK, 2005).

The Power Interest Grid in stakeholder prioritization pertains to stakeholder interests in the project. By using this matrix, you can determine which stakeholders to manage closely and which stakeholders to put minimum effort in. This helps you channel your

time and energy on the stakeholders that have the most power and interest in project success (PMBOK 4, 2005). And figure 5, by WWF Standards 2005 indicated how best the stakeholders are engaged.



**Figure 2.5: Identifying how best to engage stakeholders**

Source (WWF Standards, 2005).

### 2.3 Methodological and Other Issues

The research on stakeholder management in construction project development adopted the ideas proposed by (Cleland and Ireland, 2002). The methodology adopted was based on a structured questionnaire-survey of four principal target groups within the construction industry: Project Managers, Procurement Specialist, Quantity Surveyors, and Financial Officers were commonly used as key respondents for this type of research (Hult et al., 2007). This is also similar to the rating scales (namely 4 and 5) being ascribed to critical and very critical attributes,

and fixed an appropriate level of 3.5 (Ahadzie, 2007). These form the key informants as sampling frame in standard practice of Institute of Supply Management (Hult et al., 2007). Five-point Likert-type scales with anchors ranging from “strongly disagree” to “strongly agree” were used to measure the study variables in their work of study.

Before collecting the data, the survey instrument was pre-tested for content validity, following standard process (Hult et al., 2007). This involved obtaining feedback from experienced project and procurement executives for clarity, accuracy, and readability of the survey items. Based on this feedback, the instrument was modified and some factors were dropped to reduce the length of the survey. Additional input regarding the practical relevance and usefulness of the refined survey instrument was obtained from procurement executives for their input. Thus, the final survey instrument appropriately represented the content of the constructs used in their investigation.

However, for the purpose of this study, results were merely based on the questionnaire survey using almost similar methodological structure adopted by previous researchers for this study. A questionnaire survey is one of the most cost effective ways to involve a large number of people in the process in order to achieve better results, as recommended by Andi and Minato (2003). A two-page structured questionnaire were distributed to the targeted groups, representing a mixture of professionals, including those dealing with policy-formulation, design, project and procurement management, quantity surveying, and clients of construction projects. The targeted populations were: government (public clients); private clients (developers); consultants (architects, quantity surveyors, civil & structural engineers, mechanical & electrical engineers) and contractors. Respondents were required to rate each question on a five-point Likert scale that required a ranking (1-5), ranging from

“strongly disagree” to “strongly agree” were used to measure the study variables in their work of study.

Samples were randomly selected from respective professional and with target population of about hundred respondents from the area of the study.

#### **2.4 Conclusions of the literature review and suggested areas for future research**

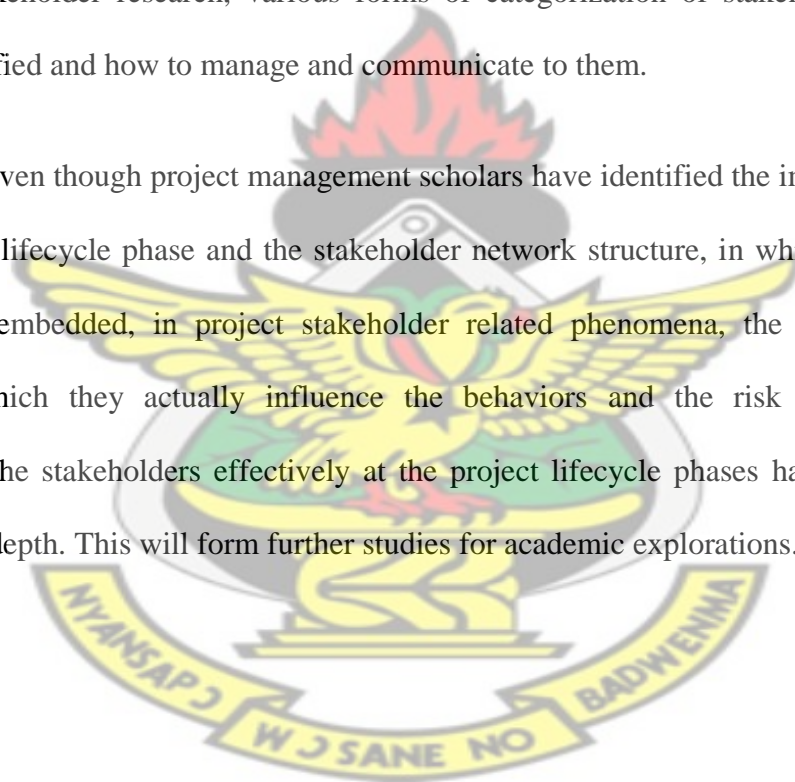
To conclude, research on external stakeholder management in public procurement projects contributes to various bodies of research concerned with the management of projects. Overall, understanding the behavior of project end user as project stakeholders increases our understanding of the management of the project dynamics that may result from the interventions of the external stakeholder environment (PMBOK, 2005).

Public Procurement Projects involve various stakeholders with diverse demands and requirements whose claims need to be understood, balanced and managed in the project decision making to ensure project success. Given the central role of stakeholders in public procurement, there are many limitations in the restricted number of prior studies on project stakeholders that were discussed in the literature review of this thesis (Elias et al., 2002).

While research on project stakeholders and their management has focused primarily on the development of practically oriented normative stakeholder management tools and frameworks, the utilization of the established theoretical base of stakeholder theory has been rather limited (Freeman et al., 2007). Furthermore, little descriptive theory or empirical research exists on stakeholder behavior and a focal project's stakeholder management activities in the extant project stakeholder management literature. In addition, the focus of prior studies has been on internal stakeholders,

while research on stakeholders in the project's project end user (the public) has been almost completely ignored (Freeman et al., 2007). Consequently, by drawing from stakeholder theory, the main objective of this thesis is to contribute to project stakeholder research by bringing new valuable information and theoretical understanding of how project end user as stakeholders try to influence the project in public procurement. Furthermore, selected contextual factors that are seen to potentially influence the behaviors of stakeholders and a focal project are examined dapped relevant success factors (Freeman et al., 2007). In addition to contributing to project stakeholder research, various forms of categorization of stakeholders have been identified and how to manage and communicate to them.

However, even though project management scholars have identified the importance of the project lifecycle phase and the stakeholder network structure, in which the focal project is embedded, in project stakeholder related phenomena, the mechanisms through which they actually influence the behaviors and the risk involved in managing the stakeholders effectively at the project lifecycle phases have not been studied in-depth. This will form further studies for academic explorations.



## CHAPTER THREE

### METHODOLOGY

#### 3.1 Introduction

The chapter includes the research methodology employed in carrying out the research, which is comprise of the sample, research instrument design, data collection procedure and framework of data analysis

#### 3.2 Sample

The population of the study was made up Assembly members, Opinion leaders, Project end users, Consultants. The population of the Ho Municipality is amounted to 271,881 Source, Ghana Statistical Service (2010 Population and Housing Census) from which the sample size of Sixty-(60) were chosen from the sample frame. This study was positioned within a philosophical tradition while encapsulating aspects of ontological, epistemological and axiological concepts (Collis and Hussey, 2003; Creswell, 1994; Thurairajah et al., 2006; Dainty, 2007). Philosophical concerns are important in research enquiry because they shape the choice of research instruments (Dainty, 2007; Christou et al., 2008). Stakeholders' management issues are objective realities, an objective ontological position was adopted to answer the research question.

The research questions were designed based on the theoretical framework of the study in which relevant success factors and challenges as well as benefits in stakeholder management were covered as variables for the designing of the questionnaires to serve as strategic guide of stakeholders management.

### **RQ1: What are the relevant success factors of stakeholder management?**

Epistemologically, the research followed the positivist approach where knowledge of critical success factors issues, established through the accumulation of verified facts, can be identified, distilled and analyzed in an objective manner that facilitates replication (Bryman, 2004). Decisions underpinning the choice of what (or how) to study were examined by objective criteria. A research design was adopted that incorporated both inductive and deductive reasoning. A questionnaire survey was subsequently developed to encapsulate underlying measures obtained from both the literature and expert consultations. The experts were from project procurement, project management construction management and public sector management background believed to have an in-depth expertise public procurement.

In Ghana, 216 district assemblies (spread across ten geographical regions) have autonomy over the provision of local infrastructural projects (Malcolm and Braimah, 2004). This research geographically however is on the Volta Region with specific focus on Ho Municipal Assembly. This decision was made because the Ho Municipality represents the largest number of districts and development projects within the Volta Region and serves as the capital of the Volta Region therefore, provided best opportunity to target knowledgeable participants. Ho Municipal Assembly was selected as sample frame for the study. This was due to the fact that the Municipal Assembly undertakes various kinds of projects for the public. The Municipal Assembly shared the common set of characteristics and objectives of Public Procurement Act, (Act 663, 2003) of providing value for money in the procurement of services, works and goods for the state.

The sample sizes of sixty, (60) respondents have been used from the sample frame. The researcher purposively selected stakeholders such as *Project end users*, which includes: five (5) Opinion Leaders, ten (10) Assemblymen, and forty, (40) members of the public (Project End Users). The remaining Personnel from the Assembly five made up of (5) Procurement officers referred to in this research as **consultant** for which questionnaires were administered to. The rationale for unevenly distribution was due to the fact that there was limited time complete this thesis and that the main focus of the study was on product end users within the Ho Municipality.

Purposive sampling, also known as judgmental sampling technique, which represents a non-probability sampling technique, has been used for the study. Selective or subjective sampling, purposive sampling relies on the judgment of the researcher when it comes to selecting the units (e.g., people, cases/organizations, events, pieces of data) that are to be studied. Usually, the sample being investigated is quite small, especially when compared with probability sampling techniques (Narsh, 2007). The main goal of purposive sampling is to focus on particular characteristics of a population that are of interest and provide expert opinion on the subject under study. It provides the researcher with the justification to make analytical generalizations from the sample that is being studied, which will best enable you to answer your research questions (Joseph Hair et al., 2006). It is in this case that experts such as project managers, procurement officials, (consultants) as well as opinion leaders, assemblymen, and members of the public (project end users) are perfectly chosen for the study. The sample being studied is not representative of the population, but for researcher's pursuing qualitative or mixed methods research designs, this is not considered to be a weakness. Rather, it is a choice, the purpose of which varies depending on the type of purposive sampling technique that is used. For example, in

homogeneous sampling, units are selected based on their similar characteristics because such characteristics are of particular interest to the researcher (Narsh, 2007).

### **3.3 Instrumentation**

The study considered a descriptive survey approach since it involves collecting primary data in order to answer questions concerning the current status of the study. Descriptively, the design is directed towards determining the nature of a situation; determine the incidence and interrelations among economic and sociological and psychological needs (Joseph Hair et al., 2006). It focuses on vital facts about the respondent's beliefs, opinions and attitudes and behavior, which provide an understanding of the phenomenon. (Narsh K, 2007). Five-point Likert-type scales with anchors ranging from “strongly disagree” to “strongly agree” were used to measure the study variables after which One Tailed Test was used to test the variables. A modified version of (Hult et al., 2007) total design method was used to increase the response rate. A survey (including a cover letter) was self-administered to the respondents.

### **3.4 Data Collection Procedures**

The researcher adopted a field survey approach to data collection in which questionnaires were used to elicit information from the respondents’ as a research instrument with the believe that the respondents’ opinions would generate data for the analysis of the research. The questionnaires form part of primary sources of data used in this research. However, secondary sources of data were also used which were obtained from Textbooks and Internet materials. The Questionnaires were designed and self-administered. That is, respondents filled out the questionnaires in their privacy and without the presence of the researcher. Questionnaires were sets of

questions and scale designed to generate enough raw data for accomplishing the information requirements between the actual sampled results and the estimated true population results (Joseph Hair et al., 2006). Finally, closed-ended types of questions were administered to the responses in collecting the raw data for analysis.

### 3.5 Framework of Data Analysis

This section elaborates on the techniques used in the data analysis to obtain the information required to answer the questions in the project. Ideally, the data has been analyzed based on the objectives of study on the topic: “A Strategic Guide For Managing Project Stakeholders Expectation: A Study within Ho Municipal Assembly.” The research questions below have been investigated for the study.

- 1) What are the relevant success factors of stakeholder management?
- 2) What are some of the challenges in managing stakeholders?
- 3) What are the benefits of managing project end users expectations?

The above have been analyzed using the following grid summary of analytical framework as shown below. Finally, the data was analyzed using simple statistical devices such as tables, and (one tailed test of) Statistical Package for Social Science (SPSS) for data presentation and analysis.

Objective s	Question s	Hypothesi s (if any)	Sources of Data	Type of Data	Technique Of Analysis
(A)	1-7	N/A	Questionnaire s	Quantitative	Frequency distributio n
(B)	8-11	N/A	Questionnaire s	Quantitative	Frequency distributio n
(C)	12-20	N/A	Questionnaire s	Quantitative	One Tail Test

Table 3.1 Grid summary of analytical framework

Source: Field Survey, 2013

## CHAPTER FOUR

### RESULTS AND DISCUSSION OF MAJOR FINDINGS

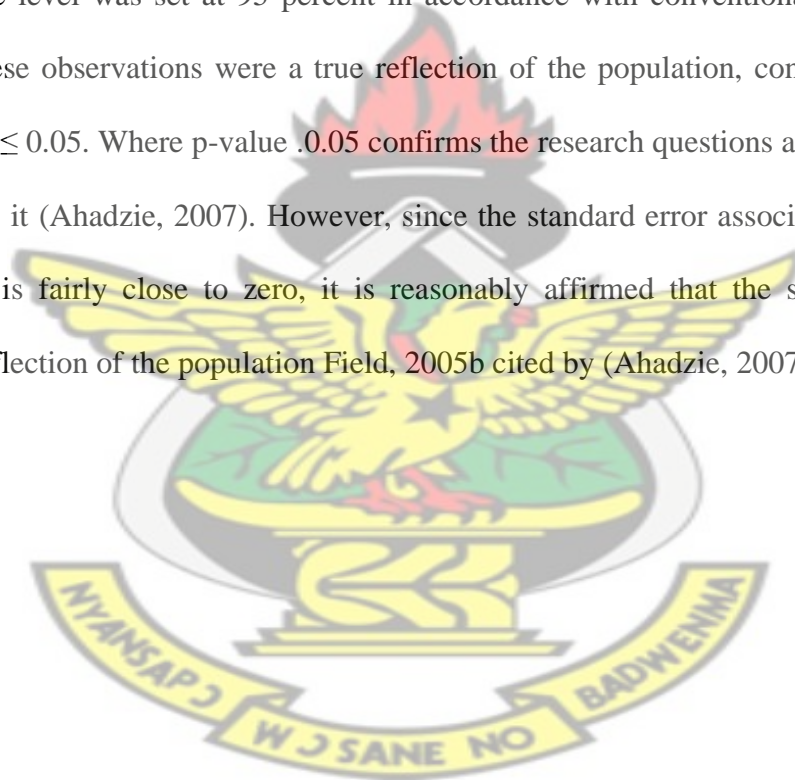
#### 4.1 Introduction

The main “credibility characteristics” in this study were the respondents’ profession and experience, defined as encapsulating: professional background; number of years staying within the Municipality; and the involvement in the provision of procurement project. Eighty percent (80%) of respondents (refers to table 4.1.1) were involved in procurement activities for more than five years; such percentage of individual experience was considered appropriate to the accrual of credible and reliable research data.

The respondents were assigned weightings based on the five point likert scale (strongly agree-5, agree-4, Uncertain-3, disagree-2 and strongly disagree-1) attributes of the seventy, (70) questionnaires were distributed, and sixty, (60) were completed representing eight-six percent (86%). A one-tailed test a statistical tool using a significance level of .05, in which allots of all alpha to testing the statistical significance in the one direction of interest were used for the analysis. This means that .05 is in one tail of the distribution of the test statistic. This therefore means that the possibility of the relationship in one direction and completely disregarding the possibility of a relationship in the other direction. The null hypothesis mean is equal to  $x$ . A one-tailed test will test either if the mean is significantly greater than  $x$  or if the mean is significantly less than  $x$ , but not both. Depending on the chosen tail, the mean is significantly greater than or less than  $x$  if the test statistic is in the top 5% of its probability distribution or bottom 5% of its probability distribution, resulting in a p-value less than 0.05. The one-tailed test provides more power to detect an effect in

one direction by not testing the effect in the other direction (Norusis, 2004).

The mean for each attribute including the associated standard deviation and standard error are presented in Tables 4.2.3a & b as well as Table 4.2.4a & b respectively. For each attribute, was tested using one sample test of either  $H_1: \mu > \mu_0$  or  $H_1: \mu < \mu_0$ , but not both was used. Thus:  $H_0: \mu_{60} \text{ Project End Users} \leq 1$ ,  $H_1: \mu_{60} \text{ Project End Users} > 1$  and Specify the  $\alpha$  level: where  $\alpha = .05$ , stands for the standard error of the sampling distribution. And,  $U_0 = 4$ , represented the rating above which the attribute is considered important. With higher rating scales 5 being ascribed very critical. The significance level was set at 95 percent in accordance with conventional levels. To confirm these observations were a true reflection of the population, conventional p-values of  $p \leq 0.05$ . Where p-value  $.05$  confirms the research questions and p-value  $> 0.05$  rejects it (Ahadzie, 2007). However, since the standard error associated with all the means is fairly close to zero, it is reasonably affirmed that the sample is an accurate reflection of the population Field, 2005b cited by (Ahadzie, 2007).



**SECTION A-ANALYSIS OF BIOGRAPHICAL DATA AND LEVEL  
STAKEHOLDERS INVOLVEMENT IN HO MUNICIPAL ASSEMBLY**

Profession	Frequency	Percent
Project Manager	5	8.3
Procurement Officer	5	8.3
Assemblyman	10	16.7
Project End User	40	66.7
Total	60	100.0

Table 4.1.1 Professional Level of Respondents

Source: Field Survey, 2013

The table 4.1.1 described the respondents level of professionalism and capacity of engaging with the Ho Municipal Assembly (HMA). From the above, eight point three percent (8.3%) were Project Managers, another eight point three percent (8.3%) were also Procurement Officers, sixteen point seven percent (16.7%) were Municipal Assemblymen and the remaining sixty six point seven percent (66.7%) of the respondents were the end users of projects been procured by the Assembly. The emphasis was on the project end users as they form majority of the users of the Assembly projects indicating the limitation of this study. However, each of the respondents namely, Opinion Leaders, Assemblymen, and the Public were finally categorized as Project End Users. Notwithstanding, Project Mangers and Procurement Officers of the Assembly were classified as Consultants. The management implications are that all the respondents have been equally represented and their professional inputs on issues of stakeholders' engagement towards successful delivery of project for the Assembly are considered in the analysis of this research. Each of the respondents have equal representative and responded to the same sample of questions for the study. The implication was to eliminate any form of bias from the study. Both

the Consultants in this case (Project Mangers and Procurement Officers) and the Project End Users (Opinion Leaders, Assemblymen, and the Public) could be regarded as the end users of any procurement being undertaken by the Assembly which form the focus of this research.

Number of Years	Frequency	Percent
20 years and above	9	15.0
6 to 10 years	3	5.0
11 to 15 years	22	36.7
1 to 5 years	26	43.3
Total	60	100.0

**Table 4.1.2 Respondents' familiarity with the Ho Municipal Assembly Projects**

Source: Field Survey, 2013

Table 4.1.2 above, described how long the respondents are familiar with the Assembly projects. From the above, twenty-six (26) of the respondents representing forty-three point three percent (43.3%) have indicated they are familiar with the Assembly projects for one to five years. Also, three (3) of the respondents representing five percent (5%) have indicated six to ten years. Further twenty-two (22) representing thirty-six point seven percent (37.7%) have also stated that they eleven to fifteen years. More so, the remaining nine (9) of the respondents representing fifteen percent (15%) have indicated twenty years and above. The implications are that all the respondents are familiar with the activities of the Assembly and such relevant specific experience of being involved in the project of the Assembly are helpful in determine their needs and wants.

Projects	Frequency	Percent
Educational and Health facilities	10	16.7
Roads and Maintenance	14	23.3
Water and Sanitation projects	14	23.3
Public/Community facilities. e.g. Market mall, toilet facilities etc.	22	36.7
Total	60	100.0

**Table 4.1.3 Type of Projects Stakeholders preferred**

Source: Field Survey, 2013

The table 4.1.3 shows various kinds of projects the respondents want the Assembly to procure for them. From the above, fourteen (14) of the respondents representing twenty-three point three percent (23.3%) earnestly wanted roads networks within the Assembly to be improved and maintained regularly for the smooth movement of goods and services to market centers. Also, fourteen (14) of the respondents representing another twenty-three point three percent (23.3%) have indicated water and sanitation projects. Furthermore, twenty-two (22) of the respondents, representing thirty-six point seven percent (36.7%) have stated that they earnestly want improvement in public facilities such as in the provision market malls, toilet facilities among others whiles the remaining ten (10) of the respondents representing sixteen point seven percent (16.7%) have indicated priority on educational and health facilities are paramount to their hearts and that they expect the Assembly in considering their inputs towards the provision of such services. The implications are that issues of infrastructure provisions are dear to the heart of the people within the Assembly and that their interests as stakeholders in procuring such projects are paramount and must be considered and managed.

Responses	Frequencies	Percentages
Yes	29	38.3
No	31	51.7
Total	60	100

**Table 4.1.4 Consideration of inputs prior to the provision of procurement** Source: Field Survey, 2013

Table 4.1.4 above, shows the respondents' level of inputs prior to the procurement of projects for the Assembly. From the table, twenty-nine (29) of the respondents representing thirty-eight point three percent (38.3%) have responded positively that their inputs were considered while the remaining thirty-one (31) of the respondents representing fifty-one point seven percent (51.7%) have indicated that their inputs were not considered prior to the procurement of projects for the Assembly. Management implications were that since stakeholders defined the existence of whatever services provided by the Assembly, continuous consideration and engagement of their inputs prior to the provision of procurement projects are very vital if their interest and power are to be balanced and met to avoid potential conflict as well as satisfactory delivery of projects.

Responses	Frequencies	Percentages
Town Hall Meeting/Community Animation	29	48.3
Formal Written Communication	23	38.3
Through Community radio discussion programs	8	13.3
Through an electronic mail via Assembly website	0	0
Total	60	100

**Table 4.1.5 Form (s) inputs are taken prior to Project Procurement Provision**

Source: Field Survey, 2013

Table 4.1.5 above, described the form(s) in which the respondents inputs were taken for the provision of procurement within the Assembly. Thus, twenty-nine (29) of the respondents representing forty-eight point three (48.3%) percent have indicated through Town Hall Meetings/Community Animation/Public forum. Also, eight (8) of the respondents representing thirteen point three percent (13.3%) have also indicated through community radio discussion programs. The remaining thirty-eight point three percent (38.3%) have indicated Formal written communication/meetings. However, none of the respondents have indicated the medium through Assembly websites the indication the respondents are unaware about such medium for the Assembly if it exist at all. The implications are that the HMA do have various means of communicating with their stakeholders, one of the relevant strategic guides in meeting stakeholders' expectation in the provision of procurement projects.

## SECTION B-ANALYSIS ON PROJECT STAKEHOLDERS

This section presents the challenges, benefits as well as the relevant strategic guides for managing stakeholders expectations. The results have been presented in tables below as what the response believed in managing and project end users expectation.

Challenges in managing project stakeholders	Frequency	Percentage
Defining project missions	60	100.00%
Identifying stakeholders	59	98.30%
Understanding stakeholders interest	57	95.00%
Exploring stakeholders' needs and constraints in projects	59	98.30%
Analyzing the change of stakeholders	57	95.00%
Analyzing conflicts and coalitions among stakeholders	56	93.30%

**Table 4.2.1 Challenges in managing Project Stakeholders**

Source: Field Survey, 2013

The table 4.2.1 indicated the various challenges in managing product end users as stakeholders have been identified. Almost of the respondents have indicated variables such as defining the project missions, identifying stakeholders, understanding stakeholders interest, exploring stakeholders' needs and constraints in projects, analyzing the change of stakeholders as well as analyzing conflicts and coalitions among stakeholders as some of the challenges in managing project stakeholders. However, some the respondents did not indicated any of the variables, an indication of being uncertain or do not understood the variables provide which further explained why almost hundred percent certain were not obtained. The implication is that there are difficulties in managing project stakeholders and such challenges have to be identified and managed if projects are to be delivered on schedule, budget and meet

stakeholders' expectations. This has confirmed the findings of Walker (1997) and Chan et al. (2004) and cited by (Jing Yang et al 2009).

Table 4.2.2 below presents the results of the benefits what the response believed they get from managing and users expectation.

The Benefits of managing project stakeholders	Frequency	Percentage
Improve communication among project stakeholders	60	100.00%
Clarify project stakeholders needs	59	98.30%
Promote good relationship	60	100.00%
Understanding stakeholders' interest and influence	59	98.30%

**Table 4.2.2 Benefits of managing Project End Users Expectations**

Source: Field Survey, 2013

Table 4.2.2 above, described what the respondent believed were the benefits driven in managing project end users expectations. All the respondents have agreed with the variables provided. Thus, the respondents have agreed that the benefits or gains by the Assembly in managing product end user are, it improves communication among them, clarifies project stakeholders needs, understanding of stakeholders' interest and influence as well as promotes good relationship between all constituents group in the provision of project within the Municipality. The implications are that such variables provide mechanism of which successful project could be measured and on which the concept of stakeholder management is built. For instance, communication about the needs and interest of product end users can be improved if effective communication mechanism and platforms are provided for the end users to provide their inputs towards the provision of projects in the community. Also, each stakeholder has an

interest and power or influence, the effective communication and collaboration with each of the constituent stakeholders create a credible avenue on which their inputs could be taken and incorporated into management decision hence, the eventual creation of value for money in the procurement of public projects. This also confirmed the literature review by Moodley et al. (2008) and cited by Gord Gibben, (2012).

**One-Sample Statistics**

Relevant success factors	N	Mean	Std. Deviation	Std. Error
				Mean
Identifying stakeholders	60	4.950	0.387	0.050
Understanding stakeholder interest and influence	60	4.967	0.258	0.033
Ensuring effective communication	60	4.983	0.129	0.017
Assessing stakeholders behavior	60	4.950	0.387	0.050
Predicting stakeholder influence	60	4.267	0.972	0.125
Promoting good relationship	60	4.967	0.258	0.033

**Table 4.2.3a Strategic guides for managing Stakeholders expectations**

Source: Field Survey, 2013

The table 4.2.3a presents the descriptive statistics of survey results concerning strategic guide for managing stakeholders' expectations. The relevant success factors on stakeholder management were measured on the scale of 1 to 5 where the values 1 represent strong disagreement and 5 strong agreements of respondents with the factors under consideration. The mean values of the responses obtained from the survey range from 4.267 to 4.967. The standard deviations of the means range from 0.129 to 0.972 with standard error of 0.017 to 0.125. Furthermore, in order to test the significance of the means, a t-test conducted at five percent (0.05) level of significant

and it has revealed that all six relevant factors (identifying stakeholders, understanding stakeholders interest and influence, ensuring effective communication, assessing stakeholders behavior, predicting stakeholder influence and promoting good relationship) are significant in managing stakeholders' expectation since each has a p-value not exceeding 0.05. as shown in the Table 4.2.3a and 4.2.3b:

One-Sample T- Test							
				Test Value = 4			
Strategic guides for managing Stakeholders expectations				95% Confidence Interval of the			
	t	df	Sig.	Mean Difference	Interval of the Difference		
					Lower	Upper	
Identifying stakeholders	19	59	0.00	0.950	0.850	1.050	
Ensuring effective communication	59	59	0.00	0.983	0.950	1.017	
Assessing stakeholders behavior	19	59	0.00	0.950	0.850	1.050	
Predicting stakeholder influence	2.125	59	0.04	0.267	0.016	0.518	
Promoting of good relationship	29.000	59	0.00	0.967	0.900	1.033	

**Table 4.2.3b: Strategic guides for managing Stakeholders expectations**

Source: Field Survey, 2013

This means that the responded are in agreement with what these factors are and that they are relevant for ensuring effective and efficient stakeholders interest.

Table 4.2.4 below has established that there was agreement amongst the respondents that variables are important to be considered for stakeholders' expectation.

<b>One-Sample Statistics</b>				
Project End User Expectations	N	Mean	Std. Deviation	Std. Error
				Mean
Balancing stakeholder expectations has direct influence on success of project	60	4.017	0.129	0.017
When project end users (stakeholders) are consulted during early stages of procurement decision making it exert positive effect on project delivery.	60	4.800	0.403	0.052
There is a positive relationship between stakeholders' management and project success.	60	4.533	0.812	0.105
The HMA has relationships with project end users that affect or affected its decisions.	60	4.283	0.490	0.063
Project End User are customers that define the existence of public institutions	60	4.550	0.502	0.065

**Table 4.2.4a: Expectations of Project End Users**

Source: Field Survey, 2013

Table 4.2.4a: presents the descriptive statistics of survey results on effects of managing project end user expectations of stakeholders. The expectations of project end users as stakeholders were measured on the scale of 1 to 5 where values greater or equal to 4 indicate agreement to the alternative hypothesis that managing project end users expectation effect project delivery. The mean values of the responses

obtained from the survey range from 4.017 to 4.800. The standard deviations of the means range from 0.129 to 0.812 with standard error of 0.017 to 0.105. Also, to test the significance of the means, a t-test was conducted at five percent (0.05) level of significant. The test revealed that all four variables are significant in managing stakeholders' expectation since each has a p-value not exceeding 0.05, as shown in the Table 4.2.4b:

		One-Sample T- Test					
		Test Value = 4					
Expectations of Project End Users		t	df	Sig	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Balancing stakeholder expectations has direct influence on success of project.		1.000	59	.000	.017	-.017	.050
When project end users are consulted during early stages of procurement decision making it exert positive effect on project delivery.		15.362	59	.000	.800	.696	.904
There is a positive relationship between stakeholders' management and project success.		5.086	59	.000	.533	.323	.743
The HMA has relationships with project end users that affect or affected its decisions.		4.476	59	.000	.283	.157	.410
Project End User are customers that define the existence of public institutions		8.492	59	.000	.550	.420	.680

**Table 4.2.4b: Expectations of Project End Users**

Source: Field Survey, 2013

The one-sample t-test therefore established that there was agreement amongst the respondents that variables are important to be considered for managing project stakeholders' expectation.

#### **4.2 Discussion of Findings**

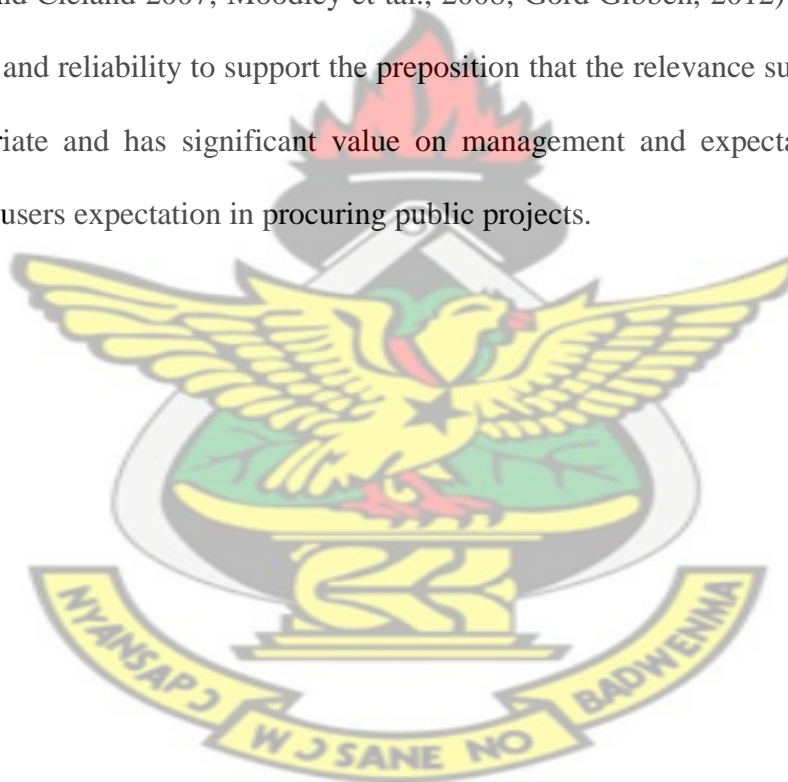
Effective stakeholder management is crucial to project's success and it's really impossible to manage stakeholders if it's not known who they are and the motive of their involvement (Prager, et al., 2009). The identification and management of project stakeholder determined how their expectations, interest and power provide strategic guide for procurement and project managers in delivery project performance (Prager, et al., 2009).

In managing project stakeholder expectations and interest according to (Cleland and Freeman 2008), key relevant success factors such as defining project missions, identifying stakeholders, understanding the area of stakeholders' interests, exploring stakeholders' needs and constraints in projects, analyzing the change of stakeholders among others are critical variables that must be considered as they serve as strategic guide in managing project end user expectations.

It is not surprising that respondents have alluded to the p-value as significance to the variables that balancing stakeholders expectation improves effective communication among stakeholders, promotes good relationship among others and that there is relationship between meeting product end users as stakeholders expectation and project success. Such findings from the study provide a strategic guide for managing public stakeholders expectation in public procurement confirmed (Moodley et al. 2008 and cited by Gord Gibben, 2012).

In reality, no stakeholders are identical according to their interests and power (Prager, et al., 2009). This research has agreed with such accession by (Prager, et al., 2009) and that identifying stakeholders relative to their level of interest and power provides an opportunity to bring those stakeholders within the process of managing their expectation towards the sustainability of project performance and or of procuring public projects.

The findings from this research against the background of the literature reviews of (Freemen and Cleland 2007, Moodley et tal., 2008; Gord Gibben, 2012) has affirmed the validity and reliability to support the preposition that the relevance success factors are appropriate and has significant value on management and expectations of the project end users expectation in procuring public projects.



## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

The aim of the study is to examine strategic guide for managing project stakeholders expectation. The study employed the relevant success factors outlined by Freeman et al. (2007). The research questions guided the formulation of the objectives. The chapter outlines the objectives of the study and how each has been achieved. Lesson drawn from the research and potential application of findings are also discussed. The chapter ends with the summary of the research findings, conclusions and the necessary recommendations.

#### 5.1 Review of the Objective

##### 5.1.1 Review of Objective one (1): To explore the relevant success factors for managing project stakeholder expectations.

The preliminary research questionnaires and the literature review have revealed that these relevant factors are strategic guides in managing stakeholders' expectation. According to freedman and Cleland 2007 the relevant success factors includes, identifying stakeholders, ensuring effective communication, assessing stakeholders behavior, predicting stakeholder influence and promoting good relationship are key strategic guides for managing public stakeholders expectation in public procurement process. Also, according to Bertók 2005 and cited by K. Osei-Afoakwa, (2012) all stakeholders are affected by public procurement decisions, and has the right, to have access to all information regarding the laws, procedures, regulations and the existence of procurement opportunities. The findings has revealed that consideration of such

factors promote better management of stakeholders expectation and interest in public procurement process. However, the relevant success factors identified are by no means exhaustive, therefore new factors may be added and or amended to reflect situations in public procurement stakeholders management.

### **5.1.2 Review of Objective two (2): To assess the challenges of managing project stakeholder expectations**

Schiele and McCue (2006) described the public procurement implementation challenges as environmental factors. These include market conditions, legal and political environment, organizational and socio-economic environmental factors. It was established further that, regardless of the effort by central government and its related agencies to overcome implementation challenges, and an understanding of the value adding potential of procurement departments, a large number of internal customers act on their own and frequently bypass the procuring department. Moreover, this research has further revealed further challenges in managing public stakeholders expectation on quest of procuring for the public. It been found that defining project missions, identifying stakeholders, understanding the area of stakeholders' interests, exploring stakeholders' needs and constraints in projects, analyzing the change of stakeholders, among others were some of the challenges in managing project stakeholders expectations.

### **5.1.3 Review of Objective three (3): To find out benefits of managing project end user expectations**

The study revealed that contrary to the challenges encounter in managing stakeholders expectation, the benefits obtain are numerous. Benefits such as improved

communication among stakeholders, better stakeholders need clarification, value for money for the Assembly, promotion of good relations and meeting public expectations, as well as balancing interest and power of various stake' were found in managing stakeholders' expectation in public procurement process.

The contribution of this study has provided an insight to procurement and project managers, practical and easy method for evaluating and predicting the behavior as well as expectations of project end user expectations in public procurement process.

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## **5.2 Summary of major findings**

From the study eighty percent (80%) of the respondents were involved in projects for the Municipal Assembly for more than five years and such percentage of individual experience was considered appropriate to the accrual of credible and reliable research data. The implications are that all the respondents are familiar with the activities of the Assembly especially in terms of projects delivery and procurement activities undertaken by the Assembly and that as beneficiaries have the power as stakeholders' to make decision that may delay and influence project performance hence the need to balance or consider their interests for successful projects delivery within the Assembly. Also, on the issues of infrastructure provisions such as market malls, educational facilities, water and roads are dear to the heart of the people within the Assembly, their interests as stakeholders are paramount and must be managed in procuring public projects.

In addition to the above, product end user as stakeholders will like their inputs as requirements to be incorporated prior to the implementation of project. This is an important ingredient in measuring successful project to ensure that their needs and wants are met as expected.

It has also, been found from the study that Town Hall Meetings/Community Animation/Public forum and Formal written communication/meetings are various means of communicating with product end users and are relevant in managing stakeholders expectation.

From the one-sample t-test the null hypothesis is rejected based on the following relevant success factors:

- Identifying stakeholders has no positive effect
- Ensuring effective communication has no positive effect
- Assessing stakeholders behavior has no positive effect
- Predicting stakeholder influence has no positive effect
- Promoting of good relationship has no positive effect

This meant that the null hypotheses that the relevant success factors on stakeholder management does not exerts positive effect on project delivery were rejected. In other words the test revealed that all five variables are significant in managing stakeholders' expectation since each has a p-value not exceeding 0.05

In addition, the one-sample t-test it was revealed that managing project end user expectations has significant effects on stakeholder expectation. In other words, the study affirms that the relevant success factors on stakeholder management are significant.

- When project end users (stakeholders) are consulted during early stages of procurement decision making it exerts positive effect on project delivery.
- There is a positive relationship between stakeholders' management and project success.
- The HMA has relationships with project end users that affect or affected its

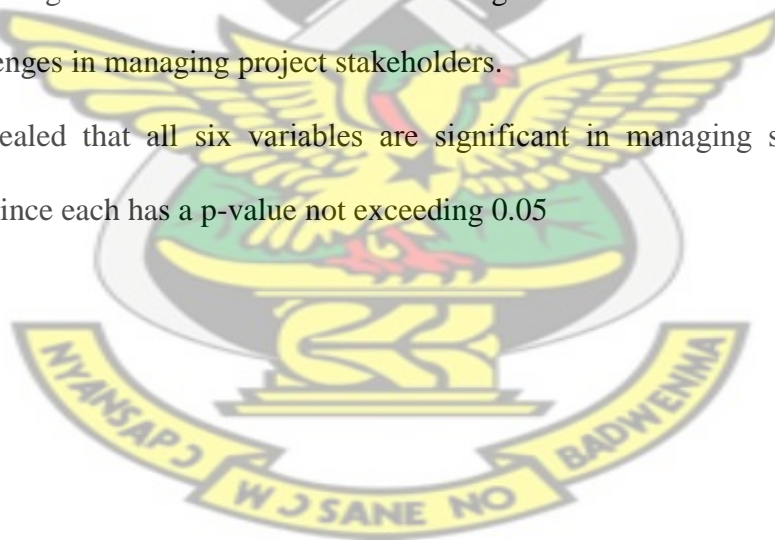
decisions.

- Project End Users are customers that define the existence of public institutions.
- Balancing stakeholder expectations has direct influence on success of project.

Finally, from the study on the variable of the challenges face in managing stakeholders (product end users), almost all the respondents have indicated:

- Defining the project missions,
- Identifying stakeholders,
- Understanding stakeholders interest,
- Exploring stakeholders' needs and constraints in projects,
- Analyzing the change of stakeholders as well as
- Analyzing conflicts and coalitions among stakeholders are some of the challenges in managing project stakeholders.

The test revealed that all six variables are significant in managing stakeholders' expectation since each has a p-value not exceeding 0.05



### 5.3 Conclusion

By adopting a rarely utilized perspective in project stakeholder research, namely that of project end users, this study identifies various critical success factors and benefits as well as the challenges that project end users as stakeholders in procurement may provide as influence in decision making of the public project delivery. The categorization and description of different project stakeholder influence strategies has not been previously presented in project stakeholder research and it is, therefore, one of the contributions of this study. Furthermore, Olander and Landin (2005), among others, have argued for the need for a more in-depth understanding of the changes in the positions of the stakeholders within projects. The description of critical success factors such as importance of communication and the need to consider the inputs or requirement of project end users prior to the implementation of public project and procurement through which project stakeholders try to shape their salience, as presented in this study, provides new insights and means for the evaluation of the dynamism of project stakeholder positions.

Furthermore, the thesis provides valuable new knowledge on the dynamic nature of stakeholder behavior by analyzing the use of stakeholder influence strategies with regard to the project lifecycle phase –a perspective that has been absent from much of the earlier project stakeholder literature. According to the findings of this study, project end users as (stakeholders) - defined the existence of public institutions and therefore their inputs and requirements consideration prior to implementation of public project are vital for successful project delivery. Their interest and influence are expectations that have to be well noted and managed as these turns to be critical variables or factors that exert positive effect on project delivery.

## 5.4 Recommendations

From the findings, it was certain that project end users as stakeholders in the procurement process play a pivotal role in the implementation of procurement contract and that they defined the existence of public institutions in that their interest and influence has to be identified and managed for successful project delivery. Failure to identify and manage these stakeholders and critical success factors that are identified with, and communicate effectively to them can eventually pose risk to project delivery and overall performance of public project and procurement in particular. This becomes eminent as public procurement processes are being assessed with the likelihood of creating value for money for stakeholders.

In the light of the foregoing conclusion and recommendations with regards to this thesis, “A Strategic Guide for Managing Project Stakeholders’ Expectations: A study within HMA, Ghana”-provides the following recommendations which are worthy of note for management decision upon request.

- That the variables such as (Identifying stakeholders, Ensuring effective communication, Assessing stakeholders behavior, Predicting stakeholder influence and Promoting good relationship) are relevant strategic elements in managing stakeholders’ expectations and must be taken into consideration when making stakeholders decision towards procurement project implementations.
- That project end users (stakeholders) inputs and requirements are consulted during early stages of procurement decision for successful project delivery as their decisions impact on project delivery.
- That there is a positive relationship between stakeholders' management and project success. The HMA has relationships with project end users that affect

or affected its decisions. The Project End Users are customers that define the existence of public institutions. Therefore, balancing stakeholder expectations has direct influence on project success for the Assembly in particular and Ghana in general.

- That defining project missions, identifying stakeholders, understanding the area of stakeholders' interests, exploring stakeholders' needs and constraints in projects, analyzing the change of stakeholders, among others were some of the challenges in managing project stakeholders expectations.
- And that prompt decisions about these challenges will enable HMA benefits of managing stakeholders expectation, such as improvement in communication among stakeholders, clarification of their needs and value for money for the Assembly, as well as promoting a good relationship among stakeholders while balancing their interests.

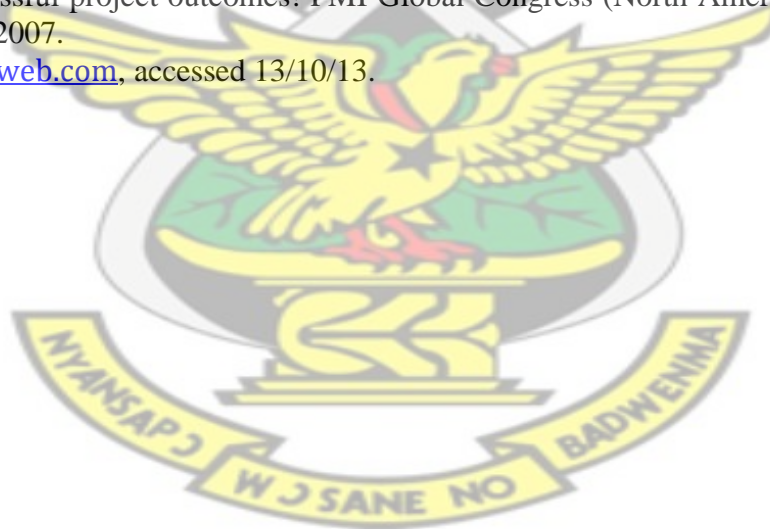
### **5.5 Scope for further Research**

The study provides enhanced understanding of stakeholder behavior and its management in the context of public procurement projects. Nevertheless, even though project management scholars have recognized the importance of the project lifecycle phase and the stakeholder network structure, in which the focal project is embedded, in project stakeholder related phenomena, the means through which they actually influence the behaviors and the risk involved in not managing them effectively at the project lifecycle phases have not been studied in-depth.

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**APPENDIX**  
**Questionnaire for Respondents**

Dear Respondent,

The researcher is a student of Kwame Nkrumah University of Science and Technology, College of Architectural and Planning, Department of Building and Technology-Ghana. As part of completion requirements for the award of MSc. Procurement the student is undertaking a research by using your Municipal Assembly as case of study. The topic under study is **“EXAMINING CRITICAL SUCCESS FACTORS IN MANAGING PROJECT STAKEHOLDERS EXPECTATION: A STUDY OF HO MUNICIPAL ASSEMBLY”**

The research has been designed purely for academic purposes. The information given will be accorded the greatest degree of confidentiality.

You are kindly requested to give your opinion by answering the questions below

**Instructions: Tick  $\surd$  and or provide answers as appropriate.**

**SECTION A: Biographical Data**

**1. Your Profession/Occupation**

( ) Project Manager ( ) Procurement officer ( ) Assemblyman ( ) Project user

**2. Highest educational and professional level**

( ) Higher National Diploma ( ) Bachelors Degree (including honors)

( ) Postgraduate (MA/MSc/MPhil/PhD)

( ) Other (please specify).....

**3. How long have you been serving the Municipal Assembly?**

( ) 1 to 5 years ( ) 6 to 10 years ( ) 11 to 15 years ( ) 20 years and above

**4. In which categories are your services being engaged at the Assembly?**

( ) Consultant

- ( ) Assemblyman
- ( ) Opinion leader
- ( ) Project/Product user

**5. The procurement projects mostly undertaken by the Assembly is/are?**

- ( ) Road
- ( ) Water
- ( ) Educational facilities
- ( ) Public/Community facilities i.e Market mall, toilet facilities etc
- ( ) Others.....

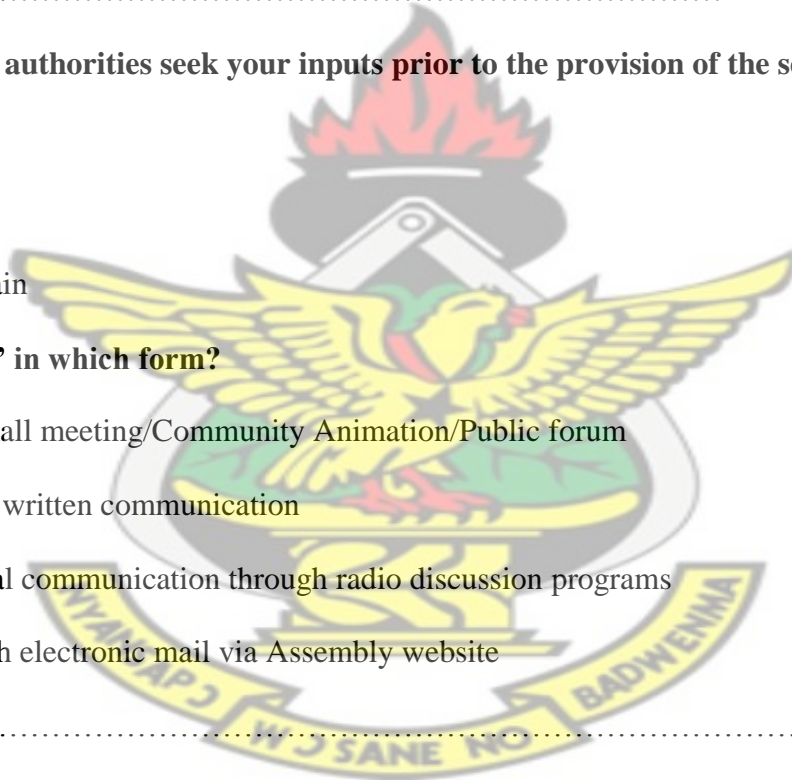
**6. Does the authorities seek your inputs prior to the provision of the services?**

- ( ) Yes
- ( ) No
- ( ) Uncertain

**7. If “YES” in which form?**

- ( ) Town hall meeting/Community Animation/Public forum
- ( ) Formal written communication
- ( ) Informal communication through radio discussion programs
- ( ) Through electronic mail via Assembly website
- Others.....

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## SECTION B-THE CONCEPT OF STAKEHOLDERS' MANAGEMENT

**8. To you stakeholders' management means.....**

- Adopting corporate responsibility by institutions
- The process of adopting business ethics and project management
- The process of managing any group or individual who can affect or is affected by the implementation of the project

**9. What are the relevant success factors of stakeholder management?**

- Identifying stakeholders
- Understanding the area of stakeholders' interests and influence
- Ensuring effective communication
- Assessing stakeholders' behavior
- Predicting the influence of stakeholders
- Promoting a good relationship

**10. What are some of the challenges in managing stakeholders?**

- Defining project missions
- Identifying stakeholders
- Understanding the area of stakeholders' interests
- Exploring stakeholders' needs and constraints in projects
- Analyzing the change of stakeholders
- Analyzing conflicts and coalitions among stakeholders
- Predicting stakeholders' reactions

Others.....

**11. What are the benefits of managing project stakeholders (project end users)?**

- Improve communication among stakeholders
- Clarify their needs and value for money for the Assembly

Promoting a good relationship and meeting public expectations

Understanding the area of stakeholders' interests

Others.....

**12. Balancing stakeholder expectations has a direct influence on success of a project.**

Strongly agree

Agree

Uncertain

Strongly disagree

Disagree

**13. Decisions made during project initiation stage must consider project end users as major stakeholders?**

Strongly agree

Agree

Uncertain

Strongly disagree

Disagree

**14. There are no relationship between stakeholders' management and project success**

Strongly agree

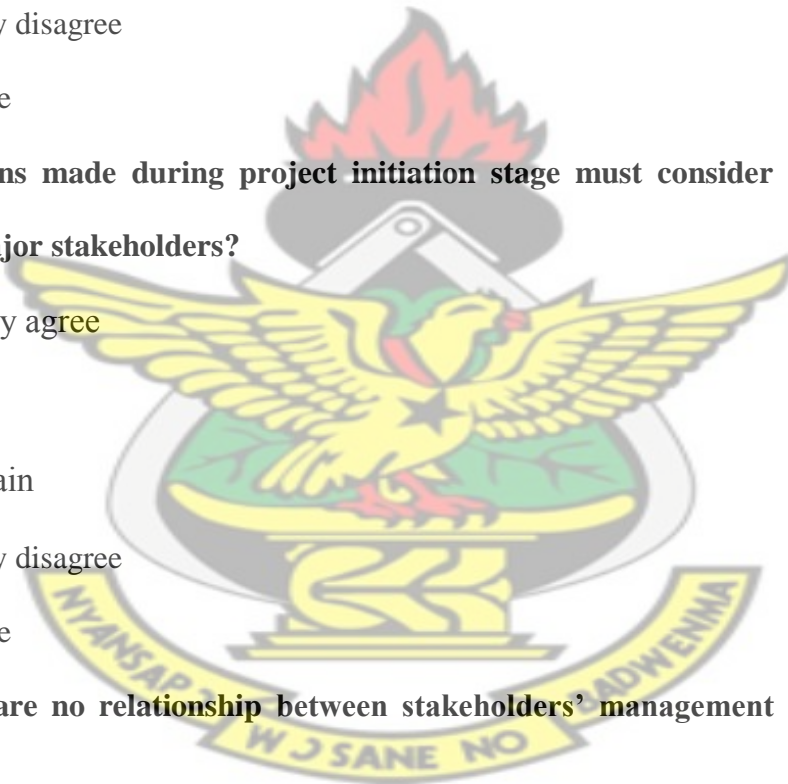
Agree

Uncertain

Strongly disagree

Disagree

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**15. The Municipal Assembly has relationships with project end users that affect or are affected by its decisions**

- Strongly agree
- Agree
- Uncertain
- Strongly disagree
- Disagree

**16. The project users defined the existence of public institutions and should be consulted before any procurement decision.**

- Strongly agree
- Agree
- Uncertain
- Strongly disagree
- Disagree

**17. Which of stakeholder levels of involvement are there in the Municipal Assembly?**

- Briefings
- Seminars
- Workshop

**18. In terms of general project delivery, how satisfied are you with the Municipal Assembly?**

- Highly satisfied
- Moderately satisfied
- Lowly satisfied
- Poorly satisfied

**19. Will you recommend the level of stakeholders' engagement by the Municipal Assembly to others?**

- Yes
- No
- Uncertain

**20. If "YES" in which form?**

- Town hall meeting/Community Animation/Public forum
- Formal written communication
- Informal communication through radio discussion programs
- Through electronic mail via Assembly website

