



A study of the awareness of Stakeholder Management amongst Project Managers in the Construction Industry in Ireland

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Abstract

The aim of this dissertation is to develop an understanding of the theoretical basis and practical implementation of stakeholder management in the construction industry and to evaluate the awareness of stakeholder management amongst project managers in the construction industry in Ireland. Stakeholder management presents extreme difficulties to project teams due to the complex and uncertain nature of construction projects. The decision by the Project Management Institute in 2013 to define stakeholder management as a distinct knowledge area for the first time demonstrates its increasing importance.

However, just a limited number of studies have been undertaken to evaluate the perception of practitioners in the construction industry to stakeholder management. The research seeks to expand on the previous studies by investigating their findings in the context of the Irish construction industry. As a result of an intensive literature review this research defined and assessed the stakeholder management model and the role of stakeholder management in the delivery of construction projects. Furthermore, the various stakeholder analysis and engagement methods were identified and evaluated based on previous surveys. As a result, assumptions could be made as to which methods are most effective in the context of construction projects. These assumptions were then compared to the results of the primary research in the discussion part of this dissertation.

The outcome of the primary research showed project managers in the Irish construction industry considered the vast majority of stakeholder analysis and engagement methods as effective. The particular method adopted is often dependent on the characteristics of the project and stakeholders. The results suggest construction project managers in Ireland are more likely to undertake stakeholder management processes in accordance with a standardised methodology. In addition, the respondents strongly advocate the use of a project stakeholder register and the central role of stakeholder management in delivering successful projects.

Introduction

A Guide to the Project Management Body of Knowledge (PMBOK® Guide) defines a stakeholder as “an individual, group, or organisation who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project” (PMI, 2013). Project stakeholder management comprises the processes required to identify, analyse and engage stakeholders.

There is a significant quantity of literature available on stakeholder management theory. Furthermore, several authors have highlighted the importance of stakeholder management in the construction industry and developed frameworks for analysis and engagement of stakeholders. However, a limited number of studies have been undertaken to evaluate the awareness and attitudes of practitioners in the construction industry to stakeholder management and assess the factors that influence the stakeholder management approaches adopted in practice. The research expands on the previous studies by investigating the awareness and perception of stakeholder management amongst project managers in the construction industry in Ireland

It answers following **research questions**:

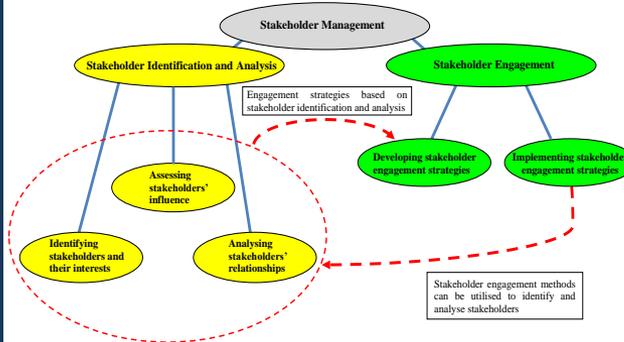
What is the perception of stakeholder management amongst Project Managers in the Construction Industry in Ireland?

To answer the research question, the following **research objectives** are proposed:

- To identify the theoretical basis and practical implementation of stakeholder management in as recognised in stakeholder management theory and previous studies of the construction industry in other countries.
- To determine the awareness of the key stakeholder management approaches amongst project managers in the construction industry in Ireland.
- To compare the perception of the key stakeholder management approaches amongst project managers in the construction industry in Ireland with the findings from stakeholder theory and past research in other countries.

Literature Review

The literature review found that effective stakeholder management is a critical factor in the successful delivery of construction projects. Established stakeholder management models consist of two interrelated elements, stakeholder analysis and stakeholder engagement. Stakeholder analysis involves three processes, namely identifying project stakeholders and their interests, assessing project stakeholders' influence and analysing the relationships amongst project stakeholders. The stakeholder management model considered in the study is shown below. Previous studies identified a wide variety of stakeholder analysis and engagement methods available. Most methods are multifunctional. The methods used in practice are dependent on the project characteristics. A combination of several stakeholder analysis and engagement methods is considered to be the most effective way of managing stakeholders.



Methodology

The purpose of the primary research is to investigate if the findings of the literature review are generalisable to the Irish construction industry. In order to assess the respondents' perception of stakeholder analysis and engagement methods, this research used a quantitative 5-point Likert style self-completed questionnaire for its primary research and therefore the survey strategy (Hair et al., 2003). For the research design a positivistic philosophy with a deductive approach was used.

The sample frame consists of individuals that are involved in project management activities and employed by organisations within the Irish construction industry. Overall 64 project managers participated in the web-based survey.

The data was exported from the online survey website SurveyMonkey.com™ to the program SPSS (Version 22) in a Microsoft Excel (2010) file format to undertake statistical analysis. The data gathered from the were primarily analysed for frequency distribution and measures of central tendency. For questions where the respondents were asked to rate the effectiveness of methods on a Likert scale, the arithmetic mean value for each method is calculated. Kendall's Coefficient of Concordance, W, is then calculated to examine whether the respondents ranked the methods in a similar order.

Results

The majority of the respondents are employed by consulting organisations (i.e. 71%) with the remaining respondents almost equally divided between contracting (16%) and client (13%) organisations.

Concerning the data analysis, most of the project managers agreed or strongly agreed that the methods identified in the literature review are effective stakeholder analysis and engagement approaches. This is proven since the arithmetic means for the vast majority of methods are greater than 3 (neutral).

Discussion

The results of the quantitative data analysis are discussed under the following headings: stakeholder management approach, identifying project stakeholders, stakeholder assessment and analysis, stakeholder engagement and stakeholder management and project success. It is discussed if the results of the survey are in agreement with the findings made in the literature review. The adjacent table shows strong agreement between the mean scores achieved for stakeholder analysis methods in this study against a similar study in Hong Kong.

Purpose	Methods	Mean (Ireland)	Mean (Hong Kong)
Identifying stakeholders' interests / information	Meetings	4.54	N/A
	Workshops	4.37	N/A
	Public consultation	4.37	3.75
	Focus group meetings	4.02	4.28
	Interviews	3.85	3.78
	Personal past experience	3.83	3.80
	Questionnaires	3.63	3.23
	Professional services	3.52	3.52
	Formal memos	2.89	3.45

The main research limitation of the study is its generalisability. All of the respondents worked in the construction industry in Ireland. Therefore, the findings of the study may not be in agreement with the attitudes of project managers involved in construction projects in other countries.

Conclusions

In conclusion, this research found that project managers in the construction industry in Ireland generally agreed with the findings from the literature review. Respondents considered the vast majority of analysis and engagement methods as effective. The overall low values obtained for Kendall's Coefficient of Concordance, W, indicate the particular method adopted is dependent on the characteristics of the project and stakeholders. In comparison to studies in other countries, the results suggest project managers in the Irish construction industry are more likely to undertake stakeholder management processes in accordance with a standardised methodology and formal analysis methods. In addition, the respondents strongly advocate the use of a project stakeholder register and the central role of stakeholder management in the delivery of successful projects.

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