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Roles of Stakeholders Towards Project Success: A Conceptual Study

Nazim Ullah¹ Mamun Ur Rashid² Taufiqul Islam³ Md. Ayub⁴ Shariar Ahmed Tanzi⁵
Mohaiminul Osman Utsho⁶

Abstract

Stakeholder plays significant roles in project success. They ensure clear communication of project goals, contribute to decision-making, and demonstrate commitment, increasing the likelihood of successful outcomes. They also act as advocates within their organizations, generating buy-in and support. The main purpose of this paper is to identify and discuss the roles of shareholders in a project success. The paper is conceptual in nature and uses a number literatures ranging from 2007 to 2023 from a good number of journals. After scrutinized the literature review, the paper concludes a number of findings. **The findings implies that stakeholders in a project is crucial for its success and sustainability. Stakeholders play a significant role in ensuring the performance of the project. Project managers need to acquire stakeholder management skills to address the communication requirements of stakeholders. This is important for the success of the project.** The paper recommend that policymakers, practitioners and academia have to ensure the expectations and make a balance among the stakeholders.

Keywords: Stakeholders, Project Management, Stakeholder Theory, Project Outcome

¹ Assistant Professor, Department Of Business Administration, International Islamic University Chittagong (IIUC), kmnazim_90@yahoo.co

² 4th Year Student, Department of Business Administration, International Islamic University Chittagong (IIUC)

³ 4th Year Student, Department of Business Administration, International Islamic University Chittagong (IIUC)

⁴ 4th Year Student, Department of Business Administration, International Islamic University Chittagong (IIUC)

⁵ 4th Year Student, Department of Business Administration, International Islamic University Chittagong (IIUC)

⁶ 4th Year Student, Department of Business Administration, International Islamic University Chittagong (IIUC)

Introduction:

In the ever evolving realm of project management, achieving project success hinges on the active participation and dedication of various stakeholders. These individuals or groups, each possessing unique interests and duties, wield significant influence over a project's ultimate outcome. From investors and clients to project leaders and team members, stakeholders collectively impact project success in a multifaceted manner. This assignment will delve into a comprehensive analysis of the functions undertaken by stakeholders in driving project success. It will illuminate the importance of their involvement, highlight their diverse objectives, and explore the interactions of their interests throughout the project's lifecycle. By unraveling the intricate web of relationships and responsibilities connecting stakeholders to project results, this investigation aims to demystify the intricate fabric of project success and emphasize the irreplaceable role that stakeholders play in achieving it." Stakeholders can play different roles when it comes to project success. For starters, they provide valuable efforts and feedback during the planning stage, helping to identify the project goals and requirements. They also contribute resources, whether it's monetary support, specialized knowledge, or access to networks and connections. Additionally, stakeholders can act as advocates, promoting the project and gathering support from others. They may also have decision-making power, influencing key project decisions. Ultimately, their active involvement and cooperation are necessary for achieving project success.

Stakeholders, on the other hand, have expectations and demands that must be managed efficiently during the project. Conflicting stakeholder interests, limited resources, and shifting priorities may make reaching consensus and maintaining stakeholder satisfaction complicated. To successfully traverse these intricacy, project managers must be proficient in stakeholder analysis, communication, and conflict resolution.

Nevertheless, stakeholders play a critical role in project success. Their active participation and assistance play a role in efficient decision-making, resource allocation, and project execution. Project managers may improve project outcomes and make sure it is successful in the long run by identifying and involving stakeholders, establishing trusting relationships, and managing their expectations.

Literature Review

Understanding the many roles stakeholders play and how their involvement affects project performance are the main goals of this research study. To give an overview of the stakeholder's involvement in project success, the review draws on pertinent scholarly papers and research findings.

Stakeholders are individuals or entities with a stake in the project and who have the power to directly or indirectly influence its results. Primary stakeholders are those who are directly impacted by the project, according to Freeman's definition, while secondary stakeholders are those who are indirectly impacted (Freeman, 1984).

Rajeev Dwivedi's (2021) research focuses on the role of stakeholders in driving project success. His findings suggest that effective stakeholder engagement positively influences the success of projects. Dwivedi emphasizes the importance of understanding stakeholder requirements, managing their expectations, and facilitating effective communication throughout the project lifecycle.

Thomas Donaldson and Lee E Preston (2010) examined stakeholder theory, considering the multiple perspectives of stakeholders in projects. They argue that project success is contingent on meeting the diverse expectations and interests of different stakeholders. Their work highlights the significance of stakeholder analysis, stakeholder engagement, and ethical considerations in managing stakeholders effectively.

Prof. Dr. Omar El-Naway, Dr. Ibrahim Mahdi, Dr. Mohammed Badwy, Ahmed Gamal Al Deen (2015) conducted a study that explores the role of key stakeholders in construction projects, focusing on the construction industry in Egypt. The authors identify the primary stakeholders, their influence, and their impact on project success. The findings highlight the significance of stakeholder engagement, early involvement, and collaborative decision-making in achieving project objectives.

Kate Davis's (2012) research centers on the role of stakeholders in sustainable project success. She emphasizes the importance of stakeholder involvement in sustainability initiatives, suggesting that engaging stakeholders can lead to improved project performance, community support, and long-term success.

Steve Rowlinson and Yan Ki Fiona Cheung (2008) examine stakeholder management in large-scale construction projects. Their study identifies different stakeholder groups and their respective expectations. They highlight the critical role of effective stakeholder management in achieving project success through early identification, engagement, and addressing of stakeholder concerns.

Marjolein C. Achterkamp and Janita F. J Vos (2007) investigate the influence of stakeholders on project success in complex and uncertain environments. Their research highlights the dynamic

nature of stakeholder relationships and the need for adaptive stakeholder management strategies to ensure project success. The authors emphasize the importance of stakeholder participation, communication, and trust-building to achieve project objectives.

Joseph Ignatius Teye Buerthey, Daniel Amofa, Felix Atsrim (2016) conducted a study that examines the role of stakeholders in water supply projects in Ghana. Buerthey et al. emphasize the need for effective stakeholder management strategies to overcome challenges and ensure successful project implementation. The findings underscore the importance of stakeholder identification, analysis, and engagement throughout the project lifecycle. Table 1 shows the summary of literature review.

The literature review emphasizes how important stakeholders are to a project's success. Effective communication, cooperation, resource allocation, and decision-making depend on including stakeholders from the planning stage through the post-evaluation phase. Project managers may improve project outcomes and guarantee long-term success by acknowledging and using stakeholders' varied interests and contributions.

Table 1: Summary of literature review

Author(s) & Country	Objective	Findings
Rajeev Dwivedi, 2021.	The objective of the document is to discuss the role of stakeholders in project success and emphasize the importance of their active participation in a successful project. It aims to elaborate on the role of stakeholders in key areas of project management and highlight the significance of stakeholder involvement in project planning and execution for achieving project success	The main findings are: active participation of stakeholders in a project is crucial for its success and sustainability. Stakeholders play a significant role in ensuring the performance of the project. Project managers need to acquire stakeholder management skills to address the communication requirements of stakeholders. This is important for the success of the project.
Thomas Donaldson and Lee E. Preston , 2010.	The objective of the paper is to clarify and justify the essential content and significance of the stakeholder concept, as well as point out important distinctions, problems, and	The authors argue that the traditional view of corporations as solely responsible to shareholders is inadequate and propose the stakeholder theory as an alternative. According to this

	implications associated with it.	theory, corporations should consider the interests of all stakeholders, including employees, customers, suppliers, communities, and the environment, in addition to shareholders.
Prof. Dr. Omar El-Naway, DR. Ibrahim Mahdi, Dr. Mohamed Badwy, Ahmed Gamal Al-Deen , 2015.	The objective of the paper is to propose further research directions in the field of stakeholder management. Specifically, the paper suggests two options for future research: 1) identifying additional factors that may impact stakeholder management and analyzing their effectiveness, and 2) developing a comprehensive framework based on the top ten factors identified in the study and applying it to a real project to validate its outcomes.	They conducted a comprehensive literature review and an online questionnaire to identify, assess, and analyze the factors that affect the success of stakeholder management in construction projects. They concluded that out of the thirty factors considered, only ten factors were found to be the most influential for the success of stakeholder management.
Kate Davis, 2012.	The objective of the paper is to investigate the success factors that stakeholders perceive as important in relation to the concept of 'project success' by doing a thematic analysis.	The findings of the paper include the identification of five common success factors perceived by clients and users in project success: communication, time, stakeholder satisfaction, use of finished product/acceptance, and cost/budget.
STEVE ROWLINSON and YAN KI FIONA CHEUNG, 2008	The objective of the paper is to explore the concept of stakeholder management through empowerment and its	The findings of the paper suggest that the variables influencing relationship management and project

	<p>impact on project success in the construction industry. The authors aim to develop a model that can be used to assess the level of stakeholder empowerment and its influence on project outcomes.</p>	<p>performance are similar in Hong Kong and Australia. However, the effects of these variables are different in the two locations, which can be attributed to cultural and institutional differences.</p>
<p>Marjolein C. Achterkamp , Janita F.J. Vos, 2007</p>	<p>The objective of the paper is to analyze 42 articles and assess them based on three criteria: the purpose of the stakeholder notion, the type of definition used, and the way in which the identification of stakeholders is addressed. The paper aims to provide an overview of these articles and their analysis, specifically focusing on the identification issue of stakeholders.</p>	<p>The paper aimed to examine the role of stakeholders in a city harbour modernization project and highlight the importance of recognizing and involving all relevant stakeholders in the decision-making process.</p>
<p>Joseph Ignatius Teye Buertey, Daniel Amofa, Felix Atsrin, 2016.</p>	<p>The objective of the paper is to provide evidence and analysis on stakeholder involvement in the decentralization process, specifically in relation to project planning and implementation.</p>	<p>The authors found evidence to support or dispute earlier studies on stakeholder involvement in the decentralization process in relation to project planning and implementation. They found that stakeholder communication and trust building were important factors in ensuring the success and satisfaction of development projects. The study also highlighted the feelings of powerlessness experienced by stakeholders, which contributes to a perception of a lack of</p>

		influence in local development.
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Methodology:

In this report we tried to review the role of stakeholders in a project's success. The article is structured as follows. First we discussed the stakeholder concept, stakeholder definitions and stakeholder classifications from stakeholder theory. Stakeholder theory was first described by R. Edward Freeman, a professor at the University of Virginia, in his landmark book, "Strategic Management: A Stakeholder Approach." In that work, Freeman defines a stakeholder as "any group or individual who can affect or is affected by the achievement of the organization's objectives". Stakeholder theory is a practical way of examining how the concerns and welfare of various groups connected to an organization influence, or should influence, the choices made by its leaders. Initially developed as a strategic management theory by Freeman in 1984, it has since become one of the foremost theories in the field of ethical business practices for the past 25 years. The methodology of this research paper involved conducting a comprehensive literature review of the 8 papers discussed above.

Findings and Analysis

- 1. **Stakeholder participation:** Studies repeatedly stress the significance of stakeholder participation in project success. Better project outcomes are a result of key stakeholders' active involvement and enthusiastic engagement.

- 2. **Stakeholder communication:** Successful stakeholder communication is essential to the success of any project. In order to manage expectations, resolve issues, and ensure alignment between stakeholders and project goals, communication must be clear and timely.

- 3. **Power and influence of stakeholders:** The research highlights the need of comprehending stakeholder power and influence dynamics. Identifying key stakeholders and effectively involving them may have a favorable effect on project success.

4. Stakeholder collaboration: Collaboration among stakeholders, such as project teams, sponsors, customers, and outside parties, is crucial for overcoming obstacles and accomplishing project goals. Shared understanding, teamwork, and sound decision-making are fostered via collaboration.

5. Stakeholder management: According to the studies, it's important to approach stakeholder management systematically at every stage of a project. Stakeholders must be identified, analyzed, prioritized, and involved in order to make sure that their interests are taken into account and handled.

Conclusion and Recommendation

Collectively, the research shows how crucial stakeholders are to a project's success. Achieving good project outcomes requires actively involving stakeholders, developing effective communication, recognizing power dynamics, encouraging cooperation, and putting in place thorough stakeholder management procedures.

Based on the findings and analysis, the following recommendations can be made for future research on the role of stakeholders towards project success:

1. Investigate the particular tactics and methods for successful stakeholder communication in various project scenarios.
2. Determine how stakeholder power dynamics affect project success and create frameworks for better managing stakeholder influence.
3. Consider how tools and platforms for stakeholder participation might improve project results.
4. Research how cultural variety among stakeholders affects project success and create plans for dealing with cultural nuances.
5. Examine how digital platforms and technology may be used to interact and communicate with stakeholders.
6. Conduct comparative studies across several industries and sectors to pinpoint stakeholder issues and success factors that are industry-specific.

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