

# Role of Project Managers in the Stakeholder Management

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DOI: 10.29322/IJSRP.10.01.2020.p9741

<http://dx.doi.org/10.29322/IJSRP.10.01.2020.p9741>

**Abstract** – Stakeholders and project managers are key players in projects success. Therefore, the relationship among different stakeholders needs to be established and the project manager plays a key role in achieving stakeholder management. Current research shows that there is a need for stakeholder management and the responsibility lies on the project manager. Therefore, this study shows the factors that affect stakeholder management and role in which the project manager has on a successful stakeholder management. This study obtained data through questionnaire. The analysis shows a significant relationship between some variables.

**Keywords:** Project Manager, Stakeholder, Management.

## I. INTRODUCTION

Project management is the application of acquired, skills, techniques, and tactics in overseeing a project process from its inception to its end. Stakeholder management is a monumental constituent of the project management process. It is therefore imperative for a project manager to facilitate active communication between, the project team and the stakeholders.

Project managers are individuals in charge of supervising, facilitating, monitoring and executing a project. Project managers deal with all the stages of a project life cycle which include; initiating, planning, executing, monitoring and controlling, closing. They also work with all the nine project management knowledge areas, which include; Cost management, Communication management, Human resource management, Procurement management, Scope management, Quality management, Time management, Risk management and integration management.

Every project has stakeholders; stakeholders are people, individuals, organizations that are impacted one way or another by the outcome of a project. Stakeholders can be both internal and external. Internal stakeholders are people in the organization that are executing that project while External are the outside beneficiaries.

Stakeholder management provides knowledge about the prospects, functions and requirements of external and internal players who have the likely to either influence, or be influenced by a certain project/activity. This knowledge is an early step in the analysis of stakeholders' impact on the products or outcomes of an organization, project, or activity. The direction of influence stakeholders' power and interest or location in the communications network (Bourne, 2008).

The management of the project stakeholders is considered the responsibility of the project manager. This task constitutes one of the largest components of their role. To mitigate the risk to the project that the stakeholders pose and to obtain the multitude of project – related benefits that follow the achievement of successful stakeholder relationship. It is critical that the project manager develops relationship with the stakeholders that are effective and of high quality (Mazur & Pisarski, 2015).

Stakeholder management also pays particular attention to the communication with stakeholders in other to understand their needs and expectation, to address issues as they arise, to manage conflicting interest, to promote a commitment of the stakeholders in the decision and activities of the project (Riahi, 2017).

In project management, it is regularly agreed that when a project is completely done according to the required specifications, within the given scope, time and budget as a successful project. Stakeholders are important input in any project therefore, the project manager should build communal relationship among different group of people to complete project. Since, project success doesn't just depend on the performance on the project team, success or failure often depends on the involvement of top management, functional managers, customers, suppliers, contractors and others. (Dekkar & Qing, 2014)

## II. STATEMENT OF THE PROBLEM

Projects are organizational strategic instruments that lead to innovation and create value however; their failures and challenges cause global businesses, governments and organizations fortune each year (Raiablu, 2014). Scholars have cited the ignorance of stakeholder management as one of the key reasons responsible for project failure (Raiablu, 2014).The issues with stakeholders having different interest on projects makes it quite difficult to manage all of them, therefore finding a balance and an environment where each stakeholders interest is represented and the success of the project is achieved. The difficulty in communication among

stakeholders needs to be resolved and also how ineffective stakeholder management can impact project success. Therefore, this research aims that identifying causes of ineffective stakeholder management, role of the project manager and provide a panacea.

### III. OBJECTIVES OF THE STUDY

The objectives of this research are as follows

- i. To examine the role of project manager on stakeholders
- ii. To investigate the reasons of unsuccessful stakeholder management

### IV. RESEARCH HYPOTHESIS

The following null hypotheses were formulated for this study is;

H0<sub>1</sub>: There is no project manager role on stakeholder

H0<sub>2</sub>: The reasons of unsuccessful stakeholder management is negative

### V. LITERATURE REVIEW

#### A. Concept of Project Manager

A project manager is an individual that oversees the entire process of a project. These processes include, initiation, planning, executing and closing the project.

The Project Manager is responsible for scoping, planning, and delivering a project supported and funded by the three key stakeholders. They will be working closely with representatives from each of the key stakeholders to scope, design, plan, and execute an initiative. They will also be involved in recruiting your team, as well as managing aspects of the project such as your team, budget, and schedule. (EWB-Robogals, 2012).

Project managers have different roles and responsibilities based on the job description therefore the following are a few;

Negotiate the performance of activities with team members and their managers if operating in an environment.

Prepare to clarify assignments and deliverables, mentor others in project management practices, analyze quality of work and manages integration of team members' work.

Project Support Manager, strategize to optimize professional development for each team member.

Co-create a project charter with the team, together with the definition of completion criteria.

Manage and communicate a transparent vision of the project's objectives, and motivate the project team to achieve them; create a project environment that enables peak performance by team members. Organize the work into manageable activity clusters (phases) and determines an efficient approach to finishing the work.

Organize estimation and compile a complete and accurate estimate of a project; using reserves appropriately. Organize the project plan and prepare project plan and obtain management approval. Analyze risks, create a contingency plan and identify trigger events and responsibility for initiating mitigating action. Supervise the activities of Risk Administrator. Gather neutral input; rank the highest project risks in terms of total impact.

Organize the work plan schedule and monitor and control the tracking and report on plan to proceed, cost, change control and schedule reporting. Analyze the actual performance against the plan and adjust consistent with plan objectives. Manage relationships with project stakeholders, including internal and external clients and vendors, keeping them stakeholders informed of progress and issues in order to manage expectations on all project requirements and deliverables.

#### B. Project Stakeholder

Every project has stakeholders; therefore, a stakeholder is person that is directly or indirectly affected by the result or output of a project.

According to (Riahi, 2017) Stakeholders are both internal and external actors, social and economic partners of a company. The activity of the company has a direct or indirect impact on these actors, and these partners have a more or less important influence on the company. The research also says that the company is accountable to all parties and must consider their opinions. The study concluded that it is therefore important to identify stakeholders but there is also a need to plan stakeholder management. Depending on the nature of the project, there may be several types of stakeholders; some stakeholders can play several roles at a time. Stakeholders may have a positive or negative influence on a project. Managing stakeholders in a proactive way is an important factor in their relationship.

A good project manager recognizes the key impact that stakeholders can have both to help and to hinder the progress of the project. Meticulous stakeholder analysis and a careful communication plan will maximize the project's chances of delivering deliverables on time and in budget. The management and communication strategies to be adopted for each type of stakeholder will be detailed in future works (Riahi, 2017).

Project stakeholders have been divided by type: organizational stakeholders (executives, line leaders, employees and unions), product stakeholders (customers, suppliers, governments and the general public) and capital market stakeholders (shareholders, creditors and banks). They have also been differentiated in terms of whether they are considered primary or secondary stakeholders (Mazur & Pisarski, 2015).

Project stakeholders may also be distinguished by where the project stakeholder is situated within a project manager's organization or outside of it. The position of the stakeholder may influence the project manager's management of that stakeholder. However, the position of the project stakeholders should have little practical impact as all stakeholders have to be identified, and have their needs and potential to impact the project assessed (Mazur & Pisarski, 2015). According to the study, stakeholder relationship quality as major project managers' overall assessment of the capacity of their stakeholder relationships to withstand project-related stressors from within and outside of the relationship (Mazur & Pisarski, 2015).

Communication is itself a human endeavor, and the complex communication that may be necessary for managing stakeholder relationships within an organization or around its activities requires planning, monitoring and also leadership. Furthermore, from

the study, for stakeholder relationship management it is better to take a little extra time to understand better the stakeholder community and how well to involve the important stakeholders, than to actually deal with the aftermath of disinterest or lack of support of neglected stakeholders (Bourne, 2008). The important thing in managing stakeholder relationships is in understanding that the stakeholder community is a network of people. Managing stakeholder relationships is difficult and takes more time than expected, but the costs of not engaging stakeholders, particularly senior management stakeholders are significantly higher (Bourne, 2008).

The influence stakeholders can have on organizational policy, strategy, and project is dependent on their relationship to either the organization itself or the issues of concern, or both. Project managers ought to acknowledge the reciprocity of efforts and rewards among stakeholders, and should attempt to achieve a fair distribution of the benefits and burdens of corporate activity among them, considering their respective risks and vulnerabilities (Hunt & Markwell, 2016).

According to the study, the project 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. Furthermore, managers should recognize and actively oversee the concerns of all legitimate stakeholders, and should take their interests appropriately into account in decision-making and operations (Hunt & Markwell, 2016).

Project managers ought to avoid altogether activities which may jeopardize inalienable human rights or bring about to risks that, if clearly understood, would be patently unacceptable to relevant stakeholders (Hunt & Markwell, 2016).

Therefore, managers ought to acknowledge the potential conflicts between their own role as company stakeholders, and their legal and ethical responsibilities for the interests of stakeholders, and will address such conflicts through open communication, appropriate reporting and incentive systems and, where necessary, third party review (Hunt & Markwell, 2016).

### *C. Stakeholder Management*

Stakeholders largely accounts for the success of projects, especially complex projects. The strong cooperation of stakeholders is necessary for project success, since a project can be regarded as a temporary organization of stakeholders pursuing an aim together. From the study, the purpose of stakeholder management is to achieve project success through the persistent development of their interrelationships. Therefore, identifying how stakeholders influence project success.

According to the study, Understanding the influence of stakeholders on project is essential in project management, particularly in projects with complex stakeholder relationships.

Stakeholder management is those processes that are necessary in order to identify the people, groups, or organizations that could be directly or indirectly affected by the project endeavor. These stakeholders are actors outside the authority of the project manager. The number of stakeholders interested in the project can dramatically increase the complexity. These stakeholders usually have individual interests, which may vary priorities (Karlsen, 2002).

Stakeholder management is often characterized by causal actions, which in some situations are not coordinated and discussed within the project team. The result of this practice is often an unpredictable outcome. To meet this challenge, several stakeholder management methods and guidelines have been introduced. These pointers embody the execution of the management functions of designing, organizing, motivating, directing, and dominant the resources accustomed with neutral methods (Karlsen, 2002).

Stakeholder management is about the management of the relationships with all stakeholders serving their benefits competently and thus profitably in order to sustain and improve the contributions, resources they provide for the organization's value conception. It's all about relationship and experience management and, business excellence. Effective management of relationships with stakeholders is critical to resolving issues facing organizations. By using their influence, stakeholders hold the key to the environment in which an organization functions and the consequent financial and effective performance of the organization. Therefore, a proper management of stakeholder relations is an emergent focus of public relations and organizational activities (Itanyi & Ukpere, 2014).

Stakeholder and communication management literature to suggest that enlightened organizational strategy-making is best informed by a process of continuous dialogue with stakeholders and that "the social performance of any business should be judged not only by what it does, but by the extent to which it facilitates interested parties in negotiating what it does (Itanyi & Ukpere, 2014).

Thus, management of communication with the various project stakeholders is very vital

It is imperative to manage key stakeholders attentively and keep them fully occupied. More than that there is a need to keep important stakeholders satisfied. Do not burden them with too much detail. Try and keep affected stakeholders informed. Communicate regularly to check that no major issues are appearing. Make efforts to monitor other stakeholders. It is good to communicate, but do not bother them with too much information (Itanyi & Ukpere, 2014).

Therefore, this study aims at relating the importance of a project manager on stakeholder management and also outlines few factors that affect stakeholder management.

## VI. METHODOLOGY

The paper adopted a singular source of data collection. The secondary source of data generation, which include the use of textbooks written by different authors on the subject matter, journals, magazines, information from the internet and other published and unpublished materials relevant to work. The data was analyzed using the content analysis approach. This is because of its major dependence on the secondary source data.

This chapter grants the findings got from the research, by set out the results of the questionnaires. The research instrument used was a questionnaire. The information was examined with Excel to bring out a regression analysis. A total number of 70 stakeholders answered to the questionnaire.

## VII. TEST OF HYPOTHESES

**Hypotheses One**

**H<sub>1</sub>**: There is a project manager role on stakeholder

**H<sub>0</sub>**: There is no project manager role on stakeholder

**Table I: Table of correlation between project manager role and stakeholder**

Correlations

		Project manager role	stakeholder
Project manager role	Pearson Correlation	1	.536 **
	Sig. (2-tailed)	110	.000
	N		110
stakeholder	Pearson Correlation	.536 **	1
	Sig. (2-tailed)	.000	110
	N	110	

\*\*Correlation is significant at the 0.01 level (2-tailed).

According to above calculations it is observed that amount of correlation coefficient between levels of project manager role is equal to 53.6 per cent and considering that a significant level is less than 5%. Then we can say that there is a positive relationship between project manager roles on stakeholder. This implies that one per cent increase in project manager role will lead to 53.6% increase in level of stakeholder.

**Regression analysis test of level of stakeholder and project and project manager role**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965 <sup>a</sup>	.716	.586	3.79952

a. Predictors: (Constant), project manager role

Regression coefficient of R = .965 or 96.5% indicate that relationship exist between independent variables and dependent variable. The coefficient of determination R<sup>2</sup> = 0.716 which show that 71.6% of variation in level of employee's explained by project manager role. The adjusted R-square in the table shows that the dependent variable, (level stakeholder) is affected by 58.6% by independent variable (effective project manager role). It shows that effective project manager role is responsible for stakeholder.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.310	.901		13.656	.002
	stakeholder	1.056	.085	.536	12.426	.000

a. Dependent Variable: level of stakeholder

The coefficient of determination for effective project manager role is positive (1.056) and is highly significant (0.001) in ensuring level of stakeholder. The p-value of 0.000 is less than the t-statistic value of 12.426 and the standard error value of 0.085. This implies that a unit increase in effective project manager role will lead to 1.056 increases in level of stakeholder. Therefore, the null hypothesis is rejected and alternative hypothesis accepted that there is a project manager role on stakeholder.

**Hypothesis two**

**H<sub>2</sub>**: The reason of unsuccessful stakeholder management is positive.

**H<sub>0</sub>**: The reason of unsuccessful stakeholder management is negative.

**Table II: Table of correlation between stakeholder and management**

Correlations

		stakeholder	management
stakeholder	Pearson Correlation	1	.473**
	Sig. (2-tailed)	110	.000
	N		110
management	Pearson Correlation	.473 **	1
	Sig. (2-tailed)	.000	110
	N	110	

\*\* Correlation is significant at the 0.01 level (2-tailed).

According to above calculations is observed that amount of correlation coefficient between stakeholder and improving in the management is equal to 47.3 per cent and considering that a significant level is less than 5%. Then we can say that there is a

positive relationship between stakeholder and improving in the management. This implies that one per cent increase in stakeholder will lead to 47.3% increase in improving in the management.

**Regression analysis test of unsuccessful stakeholder and management Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.773 <sup>a</sup>	.624	.722	3.96426

a. Predictors: (Constant), stakeholder

Regression coefficient of R = .773 or 77.3% indicate that relationship exist between independent variables and dependent variable. The coefficient of determination  $R^2 = 0.624$  which show that 62.4% of variation in improving the management is explained by stakeholder. The adjusted R-square in the table shows that the dependent variable, (improving the management) is affected by 72.2% by independent variable stakeholder). It shows that there are positive of stakeholder on improving the management.

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	15.036	.806		18.644	.000
management	1.319	.125	.473	10.520	.000

a. Dependent Variable: improving the management.

The coefficient of determination for stakeholder is positive (1.319) and is highly significant (0.000) in improving in the management. The p-value of 0.000 is less than the t-statistic value of 10.520 and the standard error value of 0.125. This implies that a unit increase in stakeholder will lead to 1.319 increases in improving in the management. Therefore, the null hypothesis is rejected and alternative hypothesis that the reason of unsuccessful stakeholder management is positive.

**VIII. CONCLUSION**

According to this study, the factors affecting stakeholder management was examined and also the role of a project manager was identified. Further in-depth research needs to be conducted to establish the success of stakeholder management. Therefore, from the findings, the importance of communication, interest level and power amongst stakeholders affect stakeholder management. Therefore, recommendations are as follows;

- i. Project managers should establish strong communication skills amongst stakeholders.
- ii. Project managers should identify key stakeholders.
- iii. Project managers should identify influential stakeholders.
- iv. key stakeholders should be involved in decision making
- v. Transparency amongst stakeholders is adopted.
- vi. Project managers should avoid corruption and bureaucracy among stakeholders.

**IX. RECOMMENDATIONS**

It is necessary to offer the following recommendations.

- i. It is recommended that more attention be placed on organizing project management processes according to their impact and influence.
- ii. To preserve the construction projects after its completion, the quality of materials used in construction projects must not be compromised.
- iii. More project management metrics recently developed in other research works like benefit to end users, benefit to national infrastructure should be included for performance Measurement.
- iv. With this, the projects should not necessarily be organization based and will be more useful to all stakeholders. Embracing a tactical approach to engaging in project management practices is recommended through implementing customer satisfaction surveys, meetings and communication effectiveness evaluation forms and analysing the turnaround time for outstanding issues and informally through listening observing and conversing with relevant parties.
- v. The function of identifying projects through systematic procedures should be encouraged on every individual project. This should not be left in the hands of only the end users of a project.

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