

Role of stakeholders in projects construction essay



The management of competing stakeholders has emerged as an important weapon in the successful implementation of projects. According to Olander and Landin 2007, there is a growing and natural tendency for external stakeholder groups to try to influence the implementation of construction project in line with their individual concerns and needs. This presents a challenge for project managers to assessing and managing these various concerns and needs in order to ensure that the execution of the project is not hindered.

Yang et al, 2009 pointed out that the construction industry has a poor record of stakeholder management over the past decades owing to the complexity and uncertainty of projects. Many problems can arise in the implementation of construction projects such as project managers having unclear objectives as regards stakeholder management and underestimation of the power of key stakeholders. In order to solve these problems, project managers needs to develop effective strategies for managing stakeholders. Proper management of stakeholders will lead to stakeholder cooperation and enhances the achievement of project objective while neglect of stakeholders can hinder it.

This report seeks to analyse and establish the important role that stakeholders play in the implementation of construction projects with focus on the UK construction industry. Documentary analysis and discussion of findings are presented in this research report.

Chapter 1

1.0 Introduction

In the execution of any project, and especially in construction projects, there are so many different interests that need to be taken into consideration. The representatives of these interests are those that are referred to as project stakeholders (Olander and Landin, 2005). In order to effectively manage project stakeholders, there is the need for an understanding of the term stakeholders. Rodney, 2007 describes project stakeholder as a person or group of people who have a vested interest in the success of project and the environment within which the project operates. The management of stakeholders is very important in the execution of any construction project. For instance, in large infrastructure and engineering projects, several studies have revealed how stakeholders significantly influence the project outcome. Hence, there is the need to develop appropriate strategies by which stakeholders will be managed from the inception of the project up till the final closing out stages.

Understanding the stakeholder theory provides a solid framework for identifying, analysing and categorizing stakeholders as well as recognizing their behaviour in order to manage them effectively (Aaltonen, Jaakko and Tuomas, 2008). The purpose of stakeholder identification and analysis is to facilitate an understanding of how to successfully manage project stakeholders in today's rapidly evolving environment.

Olander and Landin, 2005 highlighted that the requirements of the community apply pressure on organisations to modify or change their working methods and the means of communicating with stakeholders. They further reiterated <https://assignbuster.com/role-of-stakeholders-in-projects-construction-essay/>

that any stakeholder with a negative perception can severely hinder a construction project from achieving its objectives. The concerns and interests of stakeholders if not properly managed often lead to serious conflicts and disagreements.

Stakeholders are very important to the success of a project. It is vital to identify them as they affect or are affected by the project. Pan (2005) believes that the identification of stakeholders involves knowing those with high or potential interest in the project and its outcome and involves the grouping of stakeholders with shared objectives together. Winch, 2010 describes project stakeholders as those actors which will incur or perceive they will incur a direct benefit or loss as a result of the project. The execution of construction projects usually brings about new product or value, but they can also have damaging effects creating such problems as noise, dust, environmental pollution and other obstruction within the project area. These often lead to public outcry and resistance from local residents and other interest groups whom could be affected by the construction project.

Winch, 2010 categorized the different types of stakeholders for a construction project in order to aid analysis and management of their problems. He classified them into two categories, which are internal stakeholders and external stakeholders. Internal stakeholders are those persons and organizations that are directly involved and affected by the project while the external stakeholders are those that are not directly involved but may be affected by the project. The internal stakeholders were broken down around the client as those on the demand side and those on

the supply side while the external stakeholders were broken down into public and private actors as shown in table 1 below.

This research is designed to provide essential background and recommendations for managing project stakeholders and the impact of their behavior and on project success.

1. 2 Overview of the Research.

According to Newcombe, 2003 the role and nature of the construction client in the United Kingdom have changed dramatically over the last 50 years. He further assert that different stakeholders have varying levels and types of investment and interest in construction projects and can be viewed as multiple clients or customers for the project in which they are involved.

Stakeholders with different levels and types of power and interest in construction projects have expectations that the project manager must manage. In order to achieve these, the project manager must adequately identify who the project stakeholders are, recognise what these stakeholders expect from a construction project and then develop strategies to manage the stakeholders. It is important to state that conflicts and controversies can arise in the implementation of construction projects if the concerns and interests of the stakeholders are not properly managed. To prevent this, project managers need to take into consideration the concerns of all stakeholders and devise a means of discourse to reconcile conflicting interests.

Construction projects affect stakeholders in both positive and negative ways (Olander and Landin, 2005). For instance, a construction project can be of

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relevant use to one stakeholder group and have negative consequences on another. Getting to understand each stakeholder's point of view and providing a room for dialogue will help foster good relationships and avoid potential disruption to project plans.

This research will therefore examine the role in which stakeholders play in the implementation of construction projects and their impact, establish the relationship between theory and practise in relation to stakeholder participation in construction projects and propose strategies for managing external stakeholders through out the project life cycle.

1. 3 Rationale

The rationale for this research will be divided into three parts, namely:

Academic, Business and Personal.

1. 3. 1 Academic

There has been a wide range of literature and studies on project stakeholders and how to manage them, however this research will focus on the assessment of the impact of stakeholders in influencing project objectives and how they can be managed. The importance of managing stakeholders in a construction project to ensure its success will be analysed in this research.

1. 3. 2 Business

Large construction projects are usually a subject of varying controversies from the turbulent environmental forces. The complexity of these projects generates a lot of interested parties who either have something to gain or lose from the development of the project (Walker). These stakeholders exert all power within reach as they seek to influence the outcome of the

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project. Managing the project effectively requires that stakeholders are properly managed as a function of the project management process.

1.3.2 Personal

Successful project managers recognise the relevance and importance of stakeholder management to project success, and as a potential project manager, it is a necessity to have an in-depth understanding of the management of stakeholders in today's volatile environment, most especially with construction project which has generated so many tensions in the past. My previous degree in Civil Engineering has also necessitated my desired to have the construction industry as a case study.

1.4 Aims and Objectives

The aim of this project is to identify and evaluate the influence and role of stakeholders in the execution of construction projects: a case study of the UK construction industry. This research will examine the role in which stakeholders play in the implementation of construction projects with particular emphasis on external stakeholders and their impact in influencing the project outcome.

Below are the objectives of this research project:

To evaluate the influence of stakeholders in the implementation of construction projects (using stakeholder mapping together with the power/interest matrix).

To establish the critical success factors associated with stakeholder management in the construction projects.

To examine the level of stakeholder involvement in the construction project life cycle.

To propose strategies for managing external stakeholders in construction.

1. 5 Scope

The scope of this project includes:

Documentary review on the subject area of ' Managing project stakeholders in construction and project success.

Preparing a primary research plan and proposing a primary method for managing stakeholders in construction projects.

The scope exclusions include;

This study will be restricted to the primary research plan only and will not include any secondary research.

1. 6 Deliverables

The deliverables for this research plan will be divided into two; internal and external.

Internal Deliverables:

A project research plan that contains the study background, aims and objectives, overview of the research study, rationale, scope and exclusion, assumptions and considerations, and structure of the report.

A documentary review on the topic area.

A primary research proposal

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Conclusion and recommendation, and highlights for further research areas.

External Deliverable:

A compiled Management report submitted to enhance further research.

1. 7 Assumptions and Considerations.

The demands of different stakeholder groups are diverse, thus project managers must be able to evaluate the variety of demands presented by stakeholders so as to enhance communication between them. However, consideration is given to the fact that the stakeholders analysed in this research will be applicable to a wide range of construction projects as well as the strategies to be proposed.

1. 8 Methodology

The research will employ the use of a case study to investigate the role and impact of project stakeholders in influencing their needs and expectations.

The research methodology to be adopted for the research will be predominantly qualitative. The preference of the qualitative approach is driven by the objectives of the research which is descriptive and explanatory in nature. Documentation analysis will be used to analyse any relevant documents gathered that relates to the research.

1. 9 Project schedule

The research plan for this work which outlines the steps to fulfil the objectives as well as the timescale for the research is presented in Appendix 1 which is attached to this project research plan.

1. 10 Research Structure

This research will consist of an introductory part made up of the project research plan, and will further be divided into four chapters with;

Chapter 2 reviews relevant literatures by other experts and documents on the research topic, and then presenting a critical analysis of facts and ideas which are significant to the topic.

Chapter 3 will focus on the methodology for the research which is mainly documentary analysis and will present a proposal for the primary research plan.

Chapter 4 will present a findings and discussion of the key element of the research.

Chapter 5 will be a summary of the project to provide a conclusion and recommendation and also areas for further research.