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PROJECT STAKEHOLDER MANAGEMENT - A DEVELOPING COUNTRY PERSPECTIVE

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ABSTRACT

The present research integrates and broadens the work of Karlsen (2002) and Yang et al. (2009) on project stakeholder management in Pakistan's construction industry. It aims to identify the most significant project stakeholders and investigate the relationship between them. Moreover, critical success factors (CSFs) approach was used to identify the essentials of project stakeholder management for effectively managing construction projects. Data was collected from 133 project managers and the key project team members working in various construction projects. Results demonstrate that the clients and end users are ranked as the most important project stakeholders. Moreover, exploring stakeholders' needs and constraints to projects is found as the most critical factor for successful project stakeholder management whereas keeping and promoting a good relationship by building trust and commitment among stakeholders stood second. Later, implications of these findings for effective project stakeholder management are discussed.

Keywords: *Stakeholders, Critical Success Factors, Construction Projects*

1) INTRODUCTION

The extant research suggests that project success involves not only the iron triangle factors i.e. cost, time and quality, but also the effective management of the stakeholders involved (Jepsen and Eskerod, 2008). Relationship between a project and the management of its stakeholders is central to the success of projects (Jergeas, Williamson, Skulmoski and Thomas, 2000). Various researchers assert the imperative role of influential stakeholders in the successful management of projects (Aaltonen, 2011).

The concept of project management is defined through stakeholders as "the process of adjusting with the scheme and planning apprehensions and

proposals of different stakeholders" (PMI, 2008). The project stakeholders can affect the projects either positively or negatively. Therefore, the evaluation of stakeholder influence is an important task for the project managers to enhance the likelihood of project success (Cleland and Ireland, 2007) and the project managers have to discover stakeholders with significance, understand their interests and be aware of their potential influence on the success of the projects (Cleland and Ireland, 2002). This is essential for enhancing stakeholder's positive influence while diminishing the negative impact (Bourne and Walker 2005b).

Most of the projects are of sensitive nature (Karlsen, 2002) and clients, end users, public authorities and other stakeholders have high demands in the execution of the projects (Karlsen, 2002; Karlsen, 1998). Several studies on the subject (Cleland, 1986; Jergeas, Williamson, Skulmoski and Thomas, 2000; Karlsen, 2002; Newcombe, 2003; Olander and Landin, 2005; El-Gohary, Osman and Ei-Diraby, 2006) show that stakeholder management is imperative for successful management of the projects. Keeping in view the importance of stakeholders; a tenth knowledge area for Stakeholder Management has been added to PMBOK's fifth edition. Though the management of project stakeholder management has been recognized as an important area, very less research work on project stakeholders and their management (Achterkamp and Vos, 2008; Aaltonen, Kujala and Oijala, 2008; Yang et al. 2009; Aaltonen and Kujala, 2010; Beringer, Jonas and Kock, 2013) has been done and Pakistan's construction industry is no exception to it.

The current research combines and extends the work of Karlsen (2002) and Yang et al. (2009) on project stakeholder management. Following their work, we first identified the most important stakeholders as a whole for construction projects Then we ranked the identified the 15 critical success factors (CSFs) for improving the project stakeholder management in Pakistan's context. Based on the results, a framework for effective stakeholder's management is proposed which would help project professionals to amicably manage their projects.

According to PMI, 2008 "A ***project*** is a temporary endeavor undertaken to create a personalized product or service" and "***Project Management*** is the use of knowledge, expertise, ways and means applied to project activities in order to fulfill the project requirements". Managing projects is always critical for every enterprise. Business must be able to quickly and reliably

implement new products, services and introduce the organizational changes that sustain and enhance the business and profit (Wysocki, 2006). Managing stakeholder's expectation is the process of communicating and working with stakeholders to meet their needs and addressing their upcoming concerns" (PMI, 2008).

Though various techniques have been developed in planning, scheduling, costing and executing for the success of the projects, however, stakeholders play a major role in the projects. The central task in stakeholder management is to manage and integrate the relationships and interests of shareholders in a way that ensure the success of the project. Hence the effective relationship management among stakeholders and within the project is essential for project success (Cleland, 1986; Jergeas et al. 2000).

For a project manager, it is not possible to ignore the stakeholder and/or impose a rigid direction (Karlsen, 2002). The project manager should keep good relationship with the stakeholders to avoid any trouble for the project. While managing stakeholders, many problems and conflicts crop up during projects due to difficulty in identifying the invisible and unidentified stakeholders and their ambivalent interests and objectives. These reasons lead the project managers to have bad relationships and inadequate communications with stakeholders (Pouloudi and Whitley, 1997; Loosemore, 2006; Bourne and Walker, 2006; Rowlinson and Cheung, 2008). In order to cater to such issues during projects, the team involved in project must have knowledge about stakeholder management (Cleland and Ireland, 2002).

Understanding the relative importance of each stakeholder role in facilitating efficient stakeholders' management, the present research focuses on comprehending stakeholder management in Pakistan's construction project context. Yang et al. (2009) suggested that a similar study should be conducted in another culture to understand the dynamics of stakeholder management in construction projects. Previous studies (Jergeas et al. 2000; Olander and Landin, 2008) conducted for the identification of critical success factors for stakeholder management was limited either in sample or scope. Yang et al. (2009) identified a comprehensive list of factors affecting stakeholder management while proposing a stakeholder process model. Since Yang et al. (2009) suggested a broad list of CSFs for effective stakeholder management; we evaluated its applicability for Pakistan's construction industry from construction

industry experts. As the data was collected from project professionals working in different projects in Pakistan, these CSFs were considered appropriate by the construction gurus.

This study addresses the following research questions (Karlsen, 2002; Yang. et al. 2009):-

1) Who are the most important project stakeholders?
2) What are the most critical success factors and *what CSFs need to be improved for successful stakeholder management?*

The study would impart us knowledge about the key stakeholders in construction projects of Pakistan and how to deal with them by identifying the most critical stakeholders. In addition, CSFs are also identified as suggested by Yang et al. (2009) which are essential for stakeholder management. Identification of important CSFs would help in managing relationships with stakeholders thus minimizing conflicts and enhancing the construction project performance.
CSF is defined as "an area in which if the results are positive will ensure competitive advantage for the organization" (Rockart, 1979).

2) LITERATURE REVIEW

2.1) Identification of Stakeholders in Construction Projects

Project and its stakeholders are tied in such a way that they transform necessary information, experiences and resources at start, during and end of the project (Milosevic, 1989). Project stakeholders have decisive role during each phase of the project. Some stakeholders have so much power that they can disturb, change and interfere at any time during project. Some can create a great change at any time in the project which can affect both the project and other stakeholders (Karlsen, 2002). Stakeholder on the basis of consequences also determines whether the project is successful or not (Jergeas et al. 2000). From the aforementioned discussion, we can induce that the stakeholders have information and resources. Moreover, they have decisive power to impact whether the project will be a success or not. Thus it is crucial to know which stakeholder is more important who can influence the project. Stakeholder identification is generally considered as the first step in stakeholder analysis (McElroy and Mills, 2000; Cleland and

Ireland, 2007; Jepsen and Eskerod, 2008). Hence the following question arises: *Who are the most important stakeholders of the project?*

If there is no plan for stakeholder management in projects then it creates not only the unexpected problems but also causes uncertainty to the project (Karlsen, 2002). Karlsen (2002) further emphasizes that these problems and uncertainty can contribute to project failure. Examples include poor communication, changes to the scope of work, inadequate resources, political issues and language problems.

From the aforementioned discussion, we can argue that some stakeholders can cause high uncertainty to the project. In order to deal and mitigate such issues, it is indispensable to recognize which stakeholder can create problems and uncertainty to the project.

2.1.1) Significance of Stakeholder Identification

The importance of stakeholder identification has been addressed by many scholars (Karlsen, 2002; Olander and Landin, 2005; Walker, Bourne and Rowlinson, 2008; Jepsen and Eskerod, 2008). Moreover, it has been established that setting universal goals, interests, objectives, tasks and priorities are requisite for the management of stakeholders (Jergeas, et al. 2000). Evaluation of the stakeholder's area of interest is the best consideration for the success of the project (Karlsen, 2002). Analysis of stakeholder is a prerequisite for the project success (Olander and Landin, 2008). Project Manager must know the reaction and behaviour of the stakeholder (Freeman, Harrison and Wicks, 2007). Furthermore, it is required to forecast the stakeholder's interest in development and execution of the project (Olander and Landin, 2005). The attributes of the stakeholders must be assessed properly by the project team (Mitchell, Agle and Wood, 1997; Bourne and Walker, 2005).

Many scholars have proposed different methods for assessing stakeholders' influence. Mitchell, Agle and Wood (1997) classified stakeholders on the basis of three attributes that are power, urgency, and legitimacy. They stated that stakeholder's posses one or more attributes of power, urgency, and legitimacy. Olander and Landin's (2005) proposed Power/Interest matrix. In the power/interest matrix, stakeholders are categorized by their levels of power and interest on the project. The project management team needs to pay different attention with each type of

stakeholders (Newcombe, 2003). Bourne (2005) developed Stakeholder Circle methodology for meaningful assessment of the stakeholders and to understand their relative power and influence. In Stakeholder Circle, not only stakeholders' power, but their level of urgency (potential impact of their interests) as well as proximity to the project are examined. Another approach suggested by Bourne and Walker (2006) was Social Network Analysis that can be used to identify invisible stakeholders which may influence a project to a large extent while keeping their appearance minimized.

2.2) Critical Success Factors for Stakeholders Management in Construction Projects

Yang et al (2010) defined CSFs in terms of stakeholders' management as "those activities and practices that should be addressed in order to balance stakeholders' interests and further ensure that projects are moved forward". Findings of previous researches show that stakeholder management in projects lacks in plans, strategies and methods (Karlsen, 2002). Stakeholder management is often performed causally, which, in most of the projects is not discussed and decided within the project team. To deal with such problems and challenges, many scholars have set different plans, techniques and guidelines for stakeholder management (Cleland, 1986; Gilbert, 1983; Jiang, Chen and klein, 2002). The guidelines for stakeholder management comprise of carrying management function regarding scheduling, inspiring, managing, directing and resource controlling that use in stakeholder's strategies (Karlsen, 2002). However, despite all of these guidelines and methods, further development in stakeholder management is essential for successful stakeholder management. Therefore, this question arises: *What CSFs need to be improved for successful stakeholder management?*

3) RESEARCH DESIGN

3.1) Interviews and Pilot Study

A survey questionnaire was designed using thirteen project stakeholders and fifteen related critical success factors (CSFs) identified from the literature review. Two additional stakeholders 'Local Black Mailers' and 'political parties/members' were added seeing their influence in local construction industry; thus a total of 15 stakeholders. The suitability and

validity of these stakeholders and CSFs in Pakistan's project context was attested from construction industry experts. Face to face interviews were conducted with two experts having experience of at least 10 years in construction projects. The duration of interviews was 30 minutes each. All the interviewees after discussion agreed on the possible stakeholders and CSFs. and they gave their consent to the addition of two new categories in stakeholders list.

The questionnaire was pre tested with three project managers. The respondents provided feedback about the complexity and wording of questions. There was no poor and advisory remark from their side; therefore, this questionnaire was employed as the final questionnaire for this study.

3.2) Sample

The sample consisted of 133 project managers and key project team members working in construction projects. Non probability sampling (convenience sampling) has been used in this research, where the respondents have been selected at random.

A total of 412 questionnaires were distributed to the potential respondents. Out of 412, 306 questionnaires were distributed in hard copies to the respondents for filling and the rest made on Google Link were mailed to remaining 106 respondents. The hard copies were mostly got filled from the respondents at the spot after giving brief introduction on background of the survey. A total of 153 (37.13%) questionnaires were filled by the respondents. 20 filled questionnaires were rejected and were not considered fit for the survey as some of the respondents left some of the questions blank or some were seen to have been following a pattern or had given same answer to all the questions. Finally data of 133 questionnaires was fed in SPSS software for analysis. The responses were collected from the Federal Capital Islamabad and from all the four provinces of Pakistan.

3.3) Measures

Significance of stakeholders was assessed with the thirteen item scale taken from the study of Karlsen (2002) conducted in Norway. The fifteen project stakeholders considered for Pakistan construction industry include: *Clients* (1*), End Users* (2) , *Contractors/Suppliers* (3), *Consultants/Advisors/Architect*

(4), *District Councils* (5), *Local Communities* (6), *Press/Media* (7), *Third Parties*, planning authorities, building control, utilities companies, supply market etc. (8), *Controlling Organization*/anticorruption, judiciary, police (9) *Competitors* (10), *Labour Unions* (11), *Insurance Companies* (12), *Financial Institution* (13), *Local Black Mailers* (14) and *Political Parties* (15).

Fifteen critical success factors (CSFs) identified by Yang et al. (2009) were used to assess project stakeholder management. The identified fifteen critical factors for successful stakeholder management include : *Managing stakeholders with social responsibilities (economic, legal, environmental and ethical)* (1) , *Formulating a clear statement of project missions* (2), *Identifying stakeholders properly* (3), *Understanding the area of stakeholders' interest*s (4), *Exploring stakeholders' needs and constraints to projects* (5), *Assessing stakeholders' behaviour* (6), *Predicting the influence of stakeholders accurately* (7), *Assessing attributes (power, urgency, and proximity) of stakeholders* (8), *Analyzing conflicts and coalitions among stakeholders* (9), *Compromising conflicts among stakeholders effectively* (10), *Keeping and promoting a good relationship* (11), *Formulating appropriate strategies to manage stakeholders* (12), *Predicting stakeholders' reactions for implementing the strategies* (13), *Analyzing the change of stakeholder influence and relationships during the project process* (14) and *Communicating with the engaging stakeholders properly and frequently* (15).

CSF 1, 2, 3, 8 and 9 were subdivided into further parts; CSF1 was assessed with four items. Examples include: 'Ensuring that stakeholders have obligation to obey the law while maximizing for profit', 'Ethical issues which are expected by the society are well catered for in project activities', Marinating fair pricing of products and services for all stakeholders to earn profits', and 'Supporting the involvement of stakeholders in protecting the environment'.

CSF2 was measured with three items. Examples are: 'Better understanding of the issues of cost, schedule, budget with the stakeholders', 'Setting common goals, objectives and project priorities with the key stakeholders' and 'Setting a clear project purpose gives stakeholders what is expected from them thus helping in monitoring and evaluation of the project'. CSF3 was assessed with two items namely, 'Properly identifying stakeholders by dividing them into different types' and 'Periodically reviewing and updating your stakeholders' information'.

CSF8 was measured with four items namely, 'Assessing ability of stakeholders to control resources, create dependencies, and support the interests of some organization members or groups over others', 'Assessing the degree to which stakeholder claims call for immediate attention', 'Assessing the nearness of Stakeholders that can be rated from "directly working in the project" to "remote from the project" and 'Assessing that the actions of stakeholders are desirable, proper or appropriate within some socially constructed system of norms, values and beliefs'. CSF9 was assessed with two items, 'Analyzing potential conflicts stemming from different interests of stakeholders' and 'Aiming for rapid response times in resolving grievances among stakeholders'.

The respondents were asked to rate the importance of stakeholders and critical success factors for stakeholder management by using five-point likert scale ranging from a minimum value of 1 to a maximum value of 5.

4) DATA ANALYSIS AND FINDINGS

4.1) Cronbach Alpha

Cronbach's Alpha was used to examine the reliability of scales. The values that are more than 0.7 are regarded as sufficient (Pallant, 2001). Cronbach Alpha for CSFs is .904 which is above the cutoff point thus showing the internal consistency.

4.2) Important Stakeholders Ranking and their Significance

Table 1 illustrates the ranking of the stakeholders thus indicating their importance to the project. Mean values range from 2.74 to 4.09 shows that not all stakeholders are equally important for projects.

Table 1: Ranking of Stakeholders

	Stakeholders	**Mean**	**Std. Dev**	**Rank**
S1	Clients	4.09	1.125	**1**
S2	End users	4.01	1.026	**2**
S4	Consultants/Advisors/Architects	3.94	.811	**3**
S13	Financial Institution/Sponsors	3.86	.986	**4**
S3	Contractors/Suppliers	3.82	.895	**5**
S10	Competitors	3.31	1.088	**6**
S15	Third parties/Licensing authorities, Planning authorities, Building control, Utilities companies, supply market, etc.	3.17	.973	**7**
S8	Political parties/Members	3.13	1.084	**8**
S9	Controlling Organization/Anti-corruption, judiciary, police	3.12	1.030	**9**
S6	Local Communities	3.11	.963	**10**
S5	District Councils	3.05	.915	**11**
S12	Insurance companies	2.91	1.083	**12**
S7	Press/Media	2.89	1.071	**13**
S11	Labour unions	2.83	1.050	**14**
S14	Local Black Mailers	2.74	1.167	**15**
N =133				

The respondents gave highest ranking to the clients (4.09) and end users ranked second (4.01) being very close so the respondents in Pakistan construction industry ranked these two as the most important stakeholders for stakeholder management. The consultants/advisor/architect, financial institution/sponsors and the contractors/suppliers ranked third (3.94), forth (3.86) and fifth (3.82) respectively. The competitors ranked sixth (3.31) and third parties ranked seventh (3.17). Political parties/Members ranked eight (3.13), Controlling Organization ranked ninth (3.12), Local Communities ranked tenth (3.11), District council ranked eleventh (3.05). Insurance companies, Press/media, and Labour unions were ranked twelfth (2.91) thirteenth (2.89) and fourteenth (2.83), whereas Local Black Mailers ranked last (2.74).

4.3) Comparison of results with the survey results in Norway

Table 2 compares the results of this research with the survey results in Norway (Karlsen, 2002). We found that clients, end users, competitors and press/media insurance companies were equally ranked in both the countries. Rest all the categories of stakeholders had different ranking in both the countries with consultants/advisors/architects, third parties and political parties having a difference of one position; and contractors/ suppliers had a difference of two positions. However, financial institutions, competitors, controlling organizations, local communities and labour unions had a marked difference of ranking in both the countries; whereby the first two had higher ranking in Pakistan; whereas the last three were ranked lower in Pakistan when compared to Norway.

Table 2: Comparison of Results in two Countries

Stakeholders	**Mean**	**Rank in Pakistan**	**Rank in Norway**
Clients	**4.09**	**1**	**1**
End users	**4.01**	**2**	**2**
Consultants/Advisors/Architects	3.94	3	4
Financial Institution/Sponsors	3.86	4	12
Contractors/Suppliers	3.82	5	3
Competitors	3.31	6	10
Third parties	3.17	7	8
Political parties	3.13	8	9
Controlling Organization	3.12	9	5
Local Communities	3.11	10	6
District Councils	3.05	11	-
Insurance companies	2.91	**12**	**12**
Press/Media	2.89	13	7
Labour unions	2.83	14	11
Local Black Mailers	2.74	15	-

N =133

4.4) Correlation among Stakeholders

Table 3 shows that there is significant positive and negative correlation among the fifteen stakeholders. Thus all stakeholders do influence each other either positively or negatively. The clients, contractors/suppliers and consultants/advisors/architects all have a negative correlation with press/media and local black mailers; whereas, the end users have a negative relationship with district council and local black mailers. The clients have a negative relationship with local communities and insurance companies also. The press/media has a negative relation with clients, contractors and consultants. In this case, clients have a significant positive correlation with end users and contractors/suppliers. This finding emphasizes the fact that clients have the option to choose among various contractors/suppliers to get their project done. The clients, end users contractors/suppliers and consultants/advisors have a very weak negative relationship with local black mailers. This finding implies that they do not regard local black mailers as a major cause for problems in the project. The clients, contractors/suppliers and consultants/advisors/ architects all have a weak negative correlation with press/media which also implies that they do not give much importance to press/media.

Table 3: Correlation among Stakeholders
(Code for stakeholders is same as in Table 2)

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12	S13	S14	S15
S1	1														
S2	.414**	1													
S3	.449**	.229**	1												
S4	.358**	.224*	.208*	1											
S5	.018	-.025	.127	.202*	1										
S6	-.238**	.057	.145	.055	.292**	1									
S7	-.275**	.123	-.143	-.076	.150	.425**	1								
S8	.079	.119	.197*	.108	.181*	.402**	.270**	1							
S9	.113	.157	.048	.222*	.192*	.255**	.311**	.379**	1						
S10	.085	.253**	.040	.083	.269**	.091	.117	.144	.207*	1					
S11	.053	.103	.178*	.023	.360**	.148	.307**	.381**	.350**	.332**	1				
S12	-.069	.134	.116	.183*	.296**	.303**	.212*	.222*	.325**	.361**	.415**	1			
S13	.260**	.237**	.090	.243**	.017	.066	.226*	.143	.235**	.203*	.091	.327**	1		
S14	-.095	-.094	-.088	-.016	.253**	.277**	.255**	.254**	.256**	.287**	.420**	.412**	.136	1	
S15	.119	.187*	-.045	.061	.199*	.098	.363**	.166	.377**	.284**	.461**	.288**	.391**	.378**	1

N=133

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

*. Correlation is significant at the 0.05 level (2-tailed).

4.5) Ranking of CSFs

Table 4 presents the ranking of the CSFs. CSFs are ranked based on their mean values. Table 4 shows mean and ranking of fifteen CSFs related to the project stakeholders.

Table 4: Ranking of CSFs

	CSF	Mean	Rank in Pakistan	Rank in Hong Kong
CSF5	Exploring stakeholders' needs and constraints to projects	3.89	1	4
CSF11	Keeping and promoting a good relationship by building trust and commitment among stakeholders	3.79	2	13
CSF15	Communicating with the engaging stakeholders properly and frequently	3.77	3	13
CSF2	Formulating a clear statement of project missions	3.76	4	2
CSF12	Formulating appropriate strategies/ attitude to manage/treat different stakeholders	3.74	5	15
CSF10	Negotiating conflicts among stakeholders effectively to make decisions which are mutually accepted	3.64	6	11
CSF4	Understanding stakeholders' interest area including product safety, integrity of financial reporting, new product services and financial returns	3.62	7	5
CSF3	Identifying stakeholders	3.56	8	2
CSF9	Analyzing conflicts and coalitions among stakeholders	3.54	9	10
CSF7	Predicting the influence of stakeholders accurately	3.52	10	8
CSF14	Analyzing the change of stakeholders' influence and relationships during the project process	3.50	11	12

	CSF	Mean	Rank in Pakistan	Rank in Hong Kong
CSF6	Assessing stakeholders' behavior to determine the capacity and willingness of stakeholders to threaten or cooperate with project teams	3.49	12	7
CSF8	Assessing attributes of stakeholders	3.47	13	6
CSF13	Predicting stakeholders' reactions for implementing the strategies	3.46	14	9
CSF1	Managing stakeholders with social responsibilities (economic, legal, environmental and ethical)	3.45	15	1

N = 133

The mean value ranges from 3.45 to 3.89. The results demonstrate that all these CSFs are highly valued by the respondents for the success of stakeholders' management in their respective projects. The highest ranked factor by the respondent was "Exploring stakeholders' needs and constraints to projects" (mean = 3.89). The second most influential factor contributing to the success of stakeholder management was "Keeping and promoting a good relationship by building trust and commitment among stakeholders" (mean = 3.79) and third was "Communicating with the engaging stakeholders properly and frequently" (mean = 3.77). These two factors were ranked 13th in Hong Kong. "Formulating appropriate strategies/attitude to manage/treat different stakeholders" (mean = 3.76) and "Formulating a clear statement of project missions" (mean = 3.74) were the fourth and fifth most important factor as compared to 2nd and 15th respectively in Hong Kong. . The sixth factor was "Negotiating conflicts among stakeholders effectively to make decisions which are mutually accepted" with mean value (mean = 3.62); whereas, seventh influential factor was "Understanding stakeholders' interest area including product safety, integrity of financial reporting, new product services and financial returns" with (mean = 3.56). These factors were ranked as 11th and 5th respectively in the results of the survey conducted in Hong Kong. "Identifying stakeholders" (mean = 3.54) was eighth in ranking as compared to 2nd in Hong Kong. "Analyzing conflicts and coalitions among stakeholders" (mean = 3.52) was ninth in ranking as compared to 10th in Hong Kong. "Predicting the influence of stakeholders accurately" held tenth ranking with (mean = 3.50), whereas it was ranked 8th in Hong Kong.

Analyzing the change of stakeholders' influence and relationships during the project process was ranked eleventh (mean = 3.49) and "Assessing stakeholders' behaviour to determine the capacity and willingness of stakeholders to threaten or cooperate with project teams" was ranked twelfth (mean = 3.47) as compared to 12th and 7th respectively in Hong Kong. Furthermore, "Assessing attributes of stakeholders" (mean = 3.46), "Predicting stakeholders' reaction for implementing strategies" (mean = 3.46) and "Managing stakeholders with social responsibilities (economic, legal, environmental and ethical)" (mean = 3.45) were the three least influential CSFs. These factors were ranked as 6th, 9th and 1st in the survey held in Hong Kong.

4.7) Comparison of CSF Ranking in two Countries

Table 4 illustrates the comparison of the CSFs ranking in Hong Kong and Pakistan. The comparison of the two countries reveals that CSF 5 pertaining to exploring stakeholders' needs and constraints to projects ranked the most important in Pakistan was ranked 4th at Hong Kong. CSFs 2, 4, 9, 7 and 14 ranked 4th, 7th, 9th, 10th, and 11th in Pakistan were ranked with a slight difference at 2nd, 5th, 10th, 8th and 12th in Hong Kong respectively. All the remaining CSFs had a marked difference in both the countries as seen in the table above. It is worth mentioning that "Managing stakeholders with social responsibilities (economic, legal, environmental and ethical)" in Pakistan is ranked last as compared to being at 1st in Hong Kong. This implies that the project managers in Pakistan are not very concerned about managing stakeholders with social responsibilities.

4.8) Correlations among CSFs

Table 4.8 shows that there is significant positive among the fifteen stakeholders. Thus all stakeholders do influence each other positively.

Table 5: Correlation among CSFs

	CSF1	CSF2	CSF3	CSF4	CSF5	CSF6	CSF7	CSF8	CSF9	CSF10	CSF11	CSF12	CSF13	CSF14	CSF15
CSF1	1														
CSF2	.597**	1													
CSF3	.687**	.460**	1												
CSF4	.444**	.446**	.468**	1											
CSF5	.363**	.343**	.359**	.298**	1										
CSF6	.465**	.454**	.396**	.360**	.187*	1									
CSF7	.289**	.232**	.332**	.324**	.291**	.244**	1								
CSF8	.662**	.543**	.511**	.373**	.278**	.414**	.387**	1							
CSF9	.547**	.667**	.444**	.381**	.181*	.515**	.387**	.549**	1						
CSF10	.383**	.482**	.409**	.239**	.318**	.163	.263**	.470**	.489**	1					
CSF11	.511**	.546**	.453**	.530**	.262**	.517**	.278**	.493**	.554**	.348**	1				
CSF12	.508**	.378**	.493**	.539**	.200*	.334**	.300**	.492**	.404**	.486**	.512**	1			
CSF13	.389**	.222*	.325**	.132	.303**	.335**	.315**	.472**	.394**	.133	.368**	.251**	1		
CSF14	.498**	.431**	.514**	.439**	.428**	.366**	.440**	.489**	.484**	.400**	.333**	.492**	.480**	1	
CSF15	.469**	.461**	.499**	.287**	.371**	.215*	.259**	.505**	.325**	.430**	.369**	.374**	.319**	.462**	1

N=133

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

*. Correlation is significant at the 0.05 level (2-tailed).

5) LIMITATIONS

This study has limitations too. The data was collected from all the provinces of Pakistan however, due to time constraints and security situation, less responses were collected from Sindh and Baluchistan provinces. The findings primarily show the stakeholder management in Pakistan's project environment and may be generalized only for construction projects being undertaken in countries having similar cultural context.

6) DISCUSSION

The study investigates mainly two research questions. In response to the first question, the foremost important stakeholder identified in the survey findings was "client" and the second important stakeholder was "end user". We, therefore, argue that working with clients and end users will strongly affect project success since clients initiate, define and finance the project and the end users determine the usefulness of the project results (Karlsen, 2002). Thus the project manager must consider the importance of these stakeholders during the flow of their projects.

Results illustrate that there is positive and negative correlation among the fifteen stakeholders. Thus all stakeholders do influence each other either positively or negatively. Understanding these stakeholders and analyzing

their interests helps in better project stakeholder management. Project managers must, therefore, consider the importance of these stakeholders for maximizing the positive influence and minimizing the negative impact on the projects.

Results of correlation show that both positive and negative relationship exists among the stakeholders and all stakeholders do influence each other either positively or negatively. Clients have a significant positive correlation with contractors. This emphasizes the fact that clients have the option to choose among various contractors to get their project done.

In response to the second question the ranking of the CSFs and their correlation was carried out. The rankings of the CSFs were compared to the study conducted in Hong Kong. Major difference was revealed in most of the CSF between the two countries enlightening that most of CSF that are given very less importance in Pakistan as compared to Hong Kong. This implies that these CSF are not considered very essential for stakeholder management in Pakistan's construction industry. The highest ranked factor by the respondent was "Exploring stakeholders' needs and constraints to projects" and "Keeping and promoting a good relationship by building trust and commitment among stakeholders" was ranked 2nd.

The findings demonstrate that the most important and critical stakeholders are clients and end users. These findings are in line with the findings of the study conducted by Karlsen (2002). Moreover, the findings suggest that "Exploring stakeholders' needs and constraints to projects" is the most critical factor for successful stakeholder management. However the study reveals that managing stakeholders with social responsibilities is not being given the due consideration. We may, therefore, conclude that stakeholder management need critical attention in this aspect in order to achieve economic, legal, environmental and ethical objectives in Pakistan's project environment. The second and third highly prioritized factors include "Keeping and promoting a good relationship by building trust and commitment among stakeholders and exploring stakeholders needs" and "Communicating with the engaging stakeholders properly and frequently".

The two CSFs namely managing stakeholders with social responsibilities and understanding the area of stakeholders' interests are imperative for effective stakeholders' management in construction projects. However,

due to lack of awareness in Pakistan's constructions projects as shown by the results, social responsibility requires relatively more consideration. Different stakeholders have different stakes in the project. Thus without understanding the stakeholder's interest, managing them proficiently would not be possible. Therefore, profiling of stakeholders and prior knowledge of a stakeholder's behavior in different situations may greatly facilitate in formulation of an effective stakeholder management strategy.

Analysis of existing or potential conflicts between different stakeholders can help prevent or avert situations that may negatively affect the project. Conflicts may be substantive conflict or emotional conflict and both are quite common in Pakistan's project environment. Though assessment of stakeholder attributes can help fully understand the dynamics of a project, however this factor was ranked thirteenth by project professionals. We, therefore, argue that project managers need to watch over this neglected factor and properly assess the stakeholder's attributes. Assessing the influence of stakeholder correctly would help project manager to focus his efforts in the right direction for conflict resolution. It would further facilitate in convincing other stakeholders. For effective stakeholder management, a quick approach which may be feasible in Pakistan's project context is to carry out stakeholder SWOT analysis. It would help to effectively asses the attributes of stakeholders.

As it is important to understand how the stakeholders influence your project, keeping and promoting a good relationship by building trust and commitment among stakeholders and exploring stakeholder's needs, being ranked as 2nd shows that stakeholder relations are considered extremely important for smooth functioning of a project in Pakistan. Strained relations may result in project delays, financial problems, scope creep and unnecessary disputes. This indicates that the project manager have sufficient knowledge about the interests and influence of the stakeholders and it is not difficult for them to manage stakeholder's influence and relationship change with the progress of the project. This also provides a rationale that project managers are implementing effective strategies regarding influence and relationship of stakeholders. These strategies would help them to amicably manage the stakeholders during the course of their projects.

A well-defined communication plan is the back bone of effective stakeholder management. Project communications management is one of

the knowledge areas to achieve effective project management. Understanding of project in the initial stages can only be done through effective communication with the project stakeholders and this is ranked as the 3rd most significant factor by project professionals. In order to take all stakeholders onboard and to keep them informed, a project manager must formulate an effective communication strategy. This strategy ought to ensure that all project stakeholders are acquainted with the real time information thus reducing delays in decisions.

Decision making becomes more and more complex with an increase in number of stakeholders. A great time is spent in reducing friction and conflicts between stakeholders. Before implementing a strategy, stakeholder reaction must be considered because stakeholders can make your decisions a success or a failure. It is, therefore, imperative for project managers to find a middle ground to resolve conflicts with important and powerful stakeholders. However, this is a neglected area in Pakistan's project context. The project managers need to spend a great deal of time to minimize the negative impact of factors causing conflicts among stakeholders. This would eventually assist in making sound decisions.

Though it is important to understand how the stakeholders influence your project, however, this factor is ranked 10th. This indicates that the project manager may not have sufficient knowledge about the interests and influence of the stakeholders. Moreover it would be difficult for them to manage stakeholder's influence and relationship change with the progress of the project. This also provides a rationale that project managers need to devise effective strategies regarding influence and relationship of stakeholders. These strategies would thus help them to amicably manage the stakeholders during the course of project.

Finally, by understanding the significance of important and critical stakeholders which may pose risk, project managers can devise strategies for effective stakeholder management in Pakistan's construction project context.

8) CONCLUSION AND RECOMMENDATIONS

The present research integrates and broadens the work of Karlsen (2002) and Yang et al. (2009) in a developing country's construction project context. It presents the important and critical stakeholders and their related success factors taking into account construction projects in Pakistan. The findings would be helpful for project professionals in understanding the most important stakeholders for a construction project as well as the critical success factors in managing the stakeholders. Based on the aforementioned discussion, the following recommendations are proposed:

- Managing stakeholders with social responsibilities needs critical attention in order to create conducive environment in construction projects in Pakistan.
- Profiling of stakeholders may be carried by project managers for formulation of an effective stakeholder management strategy.
- Project managers need to assess stakeholder attributes properly to fully understand the dynamics of a project.
- Project managers should formulate an effective communication strategy to reduce delays in decision making.
- The project managers need to minimize the negative impact of factors like causing conflicts among stakeholders.
- The project managers need to devise effective strategies regarding influence and relationship of stakeholders to amicably manage the stakeholders during the course of project.

The future researches may identify the key performance indicators for Pakistan's construction projects and examine its relationship with the already identified CSFs.

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