

**HOW TO SATISFY**

***ALL***

**STAKEHOLDER EXPECTATIONS ON A PROJECT**

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## **ABSTRACT**

The purpose of this dissertation is to investigate how organisations can satisfy *all* stakeholder expectations on the projects that they undertake. It looks at why stakeholders sometimes reject the outcome of projects despite their being completed on time, within budget and with great quality

During an eleven-year period that began in 1992, Caltex Oil Kenya Ltd (COKL) either refurbished or rebuilt its existing service stations. Many new stations were also added to its network. The author chose to use COKL as a case study because, apart from not meeting their time, cost and quality constraints, their service station projects (SSP's) were characterised by stakeholder dissatisfaction.

The study investigated how to identify the stakeholders of a project; their roles and responsibilities; how stakeholders impact on projects; how to meet their requirements; the influence stakeholders have on projects; their importance to projects; how to build their commitment to projects; and how to make them an integral part of the team

The study concluded that the stakeholders are the heart of successful projects and that in order for projects to be successful all stakeholder expectations must be met. The study also found that COKL still doesn't satisfy all stakeholder expectations in the projects they are currently undertaking.

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## 1.0 INTRODUCTION

The purpose of this dissertation is to find out how organisations can satisfy *all* stakeholder expectations on projects they undertake. The author's hypothesis is that stakeholders are the heart of successful projects. Therefore, successful projects must meet *all* stakeholder expectations.

Meeting time, quality and cost constraints of a project does not guarantee that the stakeholders will accept the outcome. Many times stakeholders distance themselves from project outcomes despite their being completed on time, within budget and with great quality, because their expectations have not been satisfied. The author chose to use COKL as a case study because there has been distinct dissatisfaction among the stakeholders of their SSP's.

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Chapter one briefly describes the case study used by this dissertation. It also discusses the subject: "Satisfying all Stakeholder Expectations," detailing the objectives of this dissertation. Chapter 2 describes the methodology used to conduct the research, while chapter 3 shows the answers that were received. Chapter 4 discusses the results of the research and explains what they mean. In chapter 5 the author draws conclusions derived from the research on how to satisfy all stakeholder expectations on a project.

## 1.1 Case Study

COKL is a downstream petroleum company where the author worked (until March 2003) for 11½ years. In 1992 COKL set out to revamp and expand its retail network of service stations in Kenya. During an eleven-year period all existing service stations were either refurbished or rebuilt. Many new service stations were added to the network.

COKL recognised the work done at each service station as a stand-alone project. The projects undertaken in the early years of this revamp and expansion programme were characterised by stakeholder dissatisfaction, and did not meet their time, cost and quality constraints.

As this programme progressed, the Engineering Department (COKL's project management arm) realised the importance of involving some stakeholders in the project implementation process. This not only placated them, but subsequent projects were completed faster, budget deficits narrowed, and the quality and functionality of the new and revamped service stations improved.

Whether or not COKL satisfies *all* stakeholder expectations in the projects they currently undertake will be established during the course of this dissertation. The author has a keen interest in satisfying the expectations of stakeholders on projects in which he is involved and chose to research on how this can be done.



## 1.2 Satisfying *All Stakeholder Expectations*

### 1.2.1 *Who is a stakeholder?*

The stakeholders are people with a stake in a project. They comprise anyone who participates in the project or is impacted by its result. Right Track Associates (2004) define a project stakeholder as “*any group or individual having a vested interest in the planning, initiation, execution and completion of a chosen project initiative*”. The type or degree of “interest” varies according to the role the individual or group plays in the project and the extent to which they are affected by project results and consequences.

Stakeholder “interests” may be positively or negatively affected. They should be examined carefully to ensure that project strategies are properly planned and executed, and so that stakeholder demands and perspectives can be placed in proper context. According to Verzuh (1999), the first task of a PM is to identify project stakeholders, because:

- 1) They make all the important decisions during the definition and planning stages of the project. Under the guidance of the PM, stakeholders establish agreements on the goals and constraints of the project, construct the strategies and schedules, and approve the budget.

2) The PM is able to see who is involved; who has influence, political or otherwise; and whose needs must be attended to throughout the project, and then manage and influence these to ensure a successful project.

TenStepPB (2004) suggests that once the project stakeholders have been identified the PM can use them to mobilize a critical mass of support for the project and to achieve the desired outcomes. They can be used on the project to reduce political dynamics, generate critical information, shape culture, communicate status, gather reactions and input, dispel rumours, test various options, and mobilize action and support.

Because the stakeholders will change throughout the life of the project, Verzuh recommends that their identification, and clarification of the roles they will play, should be an ongoing task. These should be done at all the stages of the project.

Successful projects must meet *all* stakeholder expectations. This is a tough target particularly if stakeholders pop up later in the project with new demands and requirements. It is critical to know from the start exactly who the stakeholders are and what they want. Only then can COKL fulfil the primary task of satisfying them.

This dissertation investigates who the stakeholders for a typical Caltex SSP are, their roles and responsibilities.

### **1.2.2 How stakeholders impact on a project**

Right Track Associates (2004) state that within any project environment, stakeholders can have a positive or negative impact. This influence may be direct or indirect, depending upon a stakeholder role.

Failure to identify the impact of stakeholders on a project can lead to delays and cost overruns. In extreme cases stakeholders can achieve abandonment of the project. It is not always possible, or even desirable, to please all stakeholders. However, it is vital to understand the positions they are likely to take, and the steps required to ensure achievement of project goals.

According to Verzuh (1999), all parties involved in a project have a vital interest in its success. Each has an essential contribution to make, like authority, funding, or expertise in product requirements. All contributions are needed to ensure success. Projects lacking a key stakeholder are likely to come to an abrupt halt or careen off course.

Stakeholders can also cause problems if they are too close to project requirements. If they do not consider the consequences of what they require, they may steer the project into dangerous waters. Often, uninitiated or poorly directed stakeholders assume that how things were done in the past is how they will always be done in the future.

Smith (2000) states that a project is more likely to be successful if it begins well. This includes spending time at the outset discussing project stakeholders' key needs and expectations, and augmenting them with documented plans to meet these requirements.

Stakeholder requirements ensure that project goals and individuals' roles are clear. They lend confidence to completing project objectives, fulfilling communication needs, and following priorities. Smith observes that not meeting the needs or expectations of just one influential stakeholder at a critical time can ruin a project.

Requirements go beyond hard and fast product technical specifications. It is equally tough to satisfy each end user's definition of functionality in delivered products. Also, often forgotten project requirements dealing with "softer," human-oriented needs and expectations have the potential to make or break a project. As the stakeholders, or their interests change during different phases of the project some technical requirements - assumed to be stable - likewise change.

Lockyer and Gordon (1996) emphasise the importance of maximizing the satisfaction of all stakeholder needs. This means identifying and understanding those needs, both stated and implied, translating them into requirements and ensuring that all work in the project contributes to them.

This dissertation investigates the impact that stakeholders can have on Caltex SSP's, and how COKL can meet their requirements.

### ***1.2.3 Stakeholder influence and importance***

According to Smith (2000) determining whether stakeholders in positions of strong influence hold negative interests may be critical to project success. This can be achieved by conducting a formal assessment of each stakeholder's level of importance and influence to the project.

*Influence* indicates a stakeholder's relative power over and within a project. A stakeholder with high influence controls key decisions within the project, has strong ability to facilitate implementation of project tasks, and causes others to take action. Influence is usually derived from hierarchical, economic, social, or political position. Though personal connections to other influential persons also qualifies. Other indicators include: expert knowledge, negotiation and consensus building skills, charisma, holder of strategic resources, etc.

*Importance* indicates the degree to which the project cannot be considered successful if needs, expectations, and issues are not addressed. It is derived based on the relation of the stakeholder need to the project's goals and purposes. For instance, the human resources department may be key to getting the project new resources at a critical time, and the accounting department key to keeping the finances in order. Typically, the users of the project's product are considered of high importance.

Influence and importance are distinct from each other. A project may have an important financial sponsor that can shut down the project at any time for any reason, but does not

participate at all in the day-to-day operations of the project. The combination of these two measures provides insight into how stakeholders interact, and helps identify additional assumptions and risks.

This dissertation investigates the level of importance and influence of each stakeholder on a Caltex SSP.

#### ***1.2.4 Building stakeholder commitment***

Apart from identifying the project's stakeholders, Robertson (2000) recognizes the need to find ways of appropriately involving them throughout the life of the project. Explaining to stakeholders why the project needs their particular expertise in order to be successful, betters the chance that they will commit to being involved. Without stakeholder commitment, projects can be stopped or stalled, access to information and people is harder, and implementation of important actions becomes difficult (Parisse-Brassens, 2004).

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Gopaul (2003) states that stakeholder commitment allows for consensus building for project activities. It provides for easy access to resources, information and knowledge, the sharing of this information and knowledge among stakeholders, consensus on the required interventions and agreement on the implementation of project activities.

The Corporate Engagement Project (2003) identifies two processes that companies frequently use in working with stakeholders: consultation and negotiation. Broadly

defined, negotiation is a process of meetings deliberately convened to reach agreement on a particular issue. Consultation is a more open-ended set of conversations or meetings, with the objective of exchanging ideas and opinions (without formally coming to an agreement).

The Corporate Engagement Project observes that consultation and negotiation processes are related. Consultations often precede formal, issue-focused negotiations, and often the same individuals participate. The degree of credibility, transparency and trust established during the consultation process directly affects the effectiveness of the negotiation process with stakeholders.

Stakeholder engagement can be informal (over a cup of tea) or formal (through workshop). Different approaches can be complementary rather than substituting for each other. Especially when the formal engagement process encounters obstacles, continuing or intensifying the informal process can be valuable. Many more constructive discussions take place in teashops than in conference halls.

Different consultations will take different forms: some could involve the project's leadership providing information to stakeholders; others involve the project's leadership mostly listening; some involve joint decision-making; some generate ideas and options, etc.

Different engagement strategies must be developed for different stakeholders. Face-to-face meetings are suitable for those directly affected by the project, while open houses, public forum and documentation better suit the needs of those less directly impacted. The frequency of engagement differs for each stakeholder group as well.

It is critical to develop an engagement process for high priority stakeholders that actively includes them in issue identification and prioritization, and the subsequent development and implementation of any actions, for example through negotiated agreements.

This dissertation investigates how stakeholder commitment to Caltex SSP's can be built so as to enhance a sense of partnership with them.

### ***1.2.5 Stakeholders as an integral part of the team***

Hemmati and Whitefield (2003) state that stakeholders can create innovative solutions to complex problems if they share their knowledge, learn together and develop a collective approach. In successful multi-stakeholder partnerships, partners share risks, pool resources and talents and deliver mutual benefits for each partner. They develop collective commitment and capacity to turn ideas and plans into action.

Some of the best team designs and plans fail because of stakeholder resistance. Because the stakeholders will be most impacted by the project, they must be involved in both the design and implementation in order to gain their commitment and increase the chances of



success. This includes involving them early in the planning process, if applicable, and also during the entire process.

Coenen (2002) lists some consequences of not involving stakeholders in a project as:

- The legitimacy of decisions may be questioned. There is a potential for decisions taken without participation to be seen as illegitimate because they do not reflect the will and values of the stakeholders.
- There is a higher risk of conflict with stakeholders, as they are not offered the possibility of articulating their various interests.
- The project is deprived of an additional source of ideas and information. Participation contributes to the quality of decision-making, because it provides the necessary information and contributes to both systematic identification of problems and their causes, and the consideration and assessment of alternative strategic options.

The Project Management Manual (1998) lists the following reasons for consulting stakeholders throughout the project cycle:

- They have the greatest interest in the outcome of the project and are therefore the best friends or worst enemies of the PM;
- They have the greatest influence on the project and can make the difference as to whether it succeeds or fails;

- They have the most information about the progress of the project, the environment in which it operates and the likely results. They can give the best indications for necessary modifications throughout the project;
- They are typically beneficiaries of the project. Consulting with them regarding their exact needs will assist the success of the project.

Courtney and Holtham (2003) observe that ideas can evolve rapidly and consensually in a multi-disciplinary project. Too often the process of idea development is cloaked in mystery. The key to success is the will to collaborate with the stakeholders of the project.

This dissertation investigates how Caltex SSP stakeholders can work together as a team.

## **2.0 METHOD OF RESEARCH**

### **2.1 Questionnaire**

The author developed a questionnaire (see Appendix 1 on page 76) to investigate:

- a) The identity of stakeholders on a Caltex SSP
- b) Their roles and responsibilities
- c) How they impact SSP's
- d) Whether stakeholder requirements are being met
- e) Their influence on the project
- f) Their importance to the project
- g) Stakeholder commitment to the project
- h) Whether stakeholders are an integral part of the team

Sections 2.1, 2.2, 2.4, 2.7 and 2.8 of the questionnaire asked the respondents to indicate the responses they felt best suited their feelings about the statements listed in these sections. These were ranked against a numerical scale from 1 to 5, with the numbers representing the following:

1 = Strongly disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly agree

The mean score for the response to each statement by all the respondents was calculated and used to determine the overall response.

Section 2.3 was open ended and the respondents were asked to list the names of stakeholders they felt had an impact on the SSP in five areas, namely:

- 1) Delay
- 2) Budget overrun
- 3) Meeting quality requirements
- 4) Causing abandonment of the project
- 5) Declaring the project a success or failure

Stakeholders selected by at least 50% of the respondents were deemed to have an impact on the project in the respective category.

Sections 2.5 and 2.6 of the questionnaire asked the respondents to indicate the responses they felt best suited their feelings about the statements listed in these sections. These were ranked against an alphabetical scale of H, M and L, with the letters representing the following:

H = High

M = Medium

L = Low

The letter selected by the majority of the respondents was used as the overall result. Where there was a tie so that two or all letters were selected by a similar number of respondents (this happened in three instances), the author relied on his working experience at COKL to decide the appropriate choice.

The questionnaire was sent to 12 past and present COKL employees who were directly involved in the execution of SSPs. The author followed up the questionnaire with formal discussions to clarify their understanding of the questions and their responses.

## **2.2 Secondary research**

This included literature research to investigate current thinking on how to satisfy stakeholder expectations on projects. Further information was gained from MSc course notes and experience gained throughout the MSc course.

### **3.0 RESULTS OF RESEARCH**

#### **3.1 *Identifying the stakeholders***

The results for section 2.1 of the questionnaire were as follows:

2.1.1 Respondents strongly agreed that the first task on the project was to identify the stakeholders.

2.1.2 Respondents agreed that there is a need to continuously identify the stakeholders throughout all stages of the project.

2.1.3 The following were identified as stakeholders of a SSP:

- a) Engineering
- b) Retail Marketing
- c) Dealer/ SSO
- d) Distribution/ Logistics
- e) Purchasing
- f) Legal Affairs
- g) Consultants
- h) Contractors
- i) Suppliers/ Vendors
- j) HSE
- k) Management

l) Local Authority

m) MOPW

n) KPLC

o) TKL

p) NEMA

q) Neighbours

### **3.2 Stakeholder roles and responsibilities**

The results for section 2.2 of the questionnaire were as follows:

2.2.1 Respondents strongly agreed that a PM is appointed to play the primary role of defining, planning, controlling and leading the project

2.2.2 Respondents strongly agreed that a project team is constituted comprising all the stakeholders who contribute time, skills and effort to the project

2.2.3 Respondents agreed that management helps the project team get the right people at the right time and makes timely decisions based on facts presented by the project team

2.2.4 Respondents agreed that a sponsor is appointed to act as a connection between the project and the normal decision making process in the company; the sponsor is

ultimately responsible for the success of the project and helps the PM and the project team to be successful

2.2.5 Respondents were neutral concerning whether or not the stakeholder(s) requesting the project and benefiting from the result are recognized and treated as customer(s)

### **3.3 *How stakeholders impact the project***

The results for section 2.3 of the questionnaire were as follows:

2.3.1 The following stakeholders can cause the project to delay:

- a) Engineering
- b) Retail Marketing
- c) Contractors
- d) Local Authority

2.3.2 The following stakeholders can cause the project to overrun its budget:

- a) Engineering
- b) Retail Marketing
- c) Consultants
- d) Contractors



2.3.3 The following stakeholders can cause the project to fail in meeting its quality requirements:

- a) Engineering
- b) Retail Marketing
- c) Contractors

2.3.4 The following stakeholders can cause complete abandonment of the project:

- a) Management
- b) Local Authority
- c) NEMA

2.3.5 The following stakeholders will ultimately declare the project a success or failure:

- a) Retail Marketing
- b) Dealer/ SSO
- c) Management

### **3.4 Meeting stakeholder requirements**

The results for section 2.4 of the questionnaire were as follows:

2.4.1 Respondents strongly agreed that time is spent at the beginning of the project to discuss the needs and expectations of the stakeholders and to document a plan to meet these needs

2.4.2 Respondents agreed that key stakeholders clearly articulate their requirements

2.4.3 Respondents agreed that any changes in the stakeholders' requirements are planned for and proactively anticipated

2.4.4 Respondents agreed that information of the project's progress at milestones is communicated to the relevant stakeholders

2.4.5 Respondents agreed that resources needed for planning, costing and schedule estimating activities are adequately provided

2.4.6 Respondents agreed that competing demands among key stakeholders with respect to scope, time, cost and quality are balanced

**3.5 Stakeholder influence**

The results for section 2.5 of the questionnaire were as follows:

2.5.1 The following stakeholders have a high influence on the project:

- a) Engineering
- b) Retail Marketing
- c) Contractors
- d) Management
- e) Local Authority

f) MOPW

g) NEMA

h) HSE

The following have medium influence on the project:

a) Dealer/ SSO

b) Purchasing

c) Legal Affairs

d) Consultants

e) Suppliers/ Vendors

f) KPLC

g) TKL

h) Neighbours

The following stakeholders have low influence on the project:

a) Motorists/ SSU

b) Distribution/ Logistics

2.5.2 Respondents were neutral concerning whether or not a formal assessment of each stakeholder's level of influence is conducted for each project

### **3.6 Stakeholder importance**

The results for section 2.6 of the questionnaire were as follows:

#### **2.6.1 The following stakeholders are of high importance to the project:**

- a) Engineering
- b) Retail Marketing
- c) Dealer/ SSO
- d) Motorists/ SSU
- e) Contractors
- f) HSE
- g) Management
- h) Local Authority
- i) MOPW
- j) NEMA

The following stakeholders are of medium importance to the project:

- a) Distribution/ Logistics
- b) Purchasing
- c) Legal Affairs
- d) Consultants
- e) Suppliers/ Vendors
- f) KPLC
- g) TKL

## h) Neighbours

Respondents did not find any of the stakeholders to be of low importance to the project

2.6.2 Respondents were neutral concerning whether or not a formal assessment of each stakeholder's level of importance is conducted for each project

### 3.7 *Building stakeholder commitment*

The results for section 2.7 of the questionnaire were as follows:

2.7.1 Respondents agreed that stakeholder participation in the implementation of key project activities is allowed, but does not address issues beyond the immediate project goal

2.7.2 Respondents agreed that interaction with stakeholders is controlled and engagement is approached with a fixed agenda and a strategy for achieving set goals

2.7.3 Respondents were neutral as to whether or not engagement with the project stakeholders is used only when a specific position or outcome has to be achieved, or in response to a problem, or when a specific issue is at stake and will affect the projects activities

2.7.4 Respondents were neutral as to whether or not engagement involves a limited number of stakeholders to minimise demands and save on project staff time.

2.7.5 Respondents were neutral concerning whether or not engagement is limited to those stakeholders who are most influential, powerful or potentially most obstructive to the projects activities

### 3.8 *Stakeholders as an integral part of the team*

The results for section 2.8 of the questionnaire were as follows:

2.8.1 Respondents agreed that some stakeholders criticise service stations even when they have been very well designed

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2.8.2 Respondents agreed that some stakeholders who are excluded from the decision making process sometimes question the legitimacy of the decisions made during the course of the project

2.8.3 Respondents agreed that some stakeholders are excluded from SSP's depriving these projects of additional sources of ideas and information

2.8.4 Respondents were neutral concerning whether or not information and knowledge sharing with stakeholders is sustained between face-to-face events

## 4.1 DISCUSSION OF RESULTS

### 2.8.5 Respondents agreed that each stakeholder willingly tries to compromise on issues, acknowledge and respect others

#### 2.1 Who is a Stakeholder

#### 2.1.1 Identifying the stakeholders

According to French (1999) stakeholder interests should be examined carefully in order to ensure that project strategies are properly planned and executed, and so that stakeholder demands and perspectives can be placed in proper context. The respondents don't doubt the importance of identifying stakeholders at the very beginning of the project. COKIL's project staff are aware that the "interests" of project stakeholders may be directly or negatively affected.

The advantage of identifying stakeholders at the beginning of the project is that COKIL involves them in making all the important decisions during the definition and planning phase. Under the guidance of a PM, they can establish agreements on the goals and objectives of the project, construct strategies and schedules, and approve the budget.

Through discussions with the respondents, and the writer's working experience at COKIL, confirm that this is already being done with some of the stakeholders, namely the Marketing and Engineering, and Management. However, performance, time schedule and cost constraints and other project goals agreed on by the three are seldom

## **4.0 DISCUSSION OF RESULTS**

### **4.1 Who Is A Stakeholder**

#### **4.1.1 *Identifying the stakeholders***

According to Verzuh (1999) stakeholder interests should be examined carefully in order to ensure that project strategies are properly planned and executed, and so that stakeholder demands and perspectives can be placed in proper context. The respondents didn't doubt the importance of identifying stakeholders at the very beginning of the project. COKL's project staff are aware that the "interests" of project stakeholders may be positively or negatively affected.

One advantage of identifying stakeholders at the beginning of the project is that COKL can involve them in making all the important decisions during the definition and planning stages. Under the guidance of a PM, they can establish agreements on the goals and constraints of the project, construct strategies and schedules, and approve the budget.

Follow up discussions with the respondents, and the author's working experience at COKL, confirm that this is already being done with some of the stakeholders, namely Retail Marketing and Engineering, and Management. However, performance, time (schedule) and cost constraints and other project goals agreed on by the three are seldom



achieved. The author concluded that COKL needs to involve more stakeholders in decision-making during the definition and planning stages of their SSP's

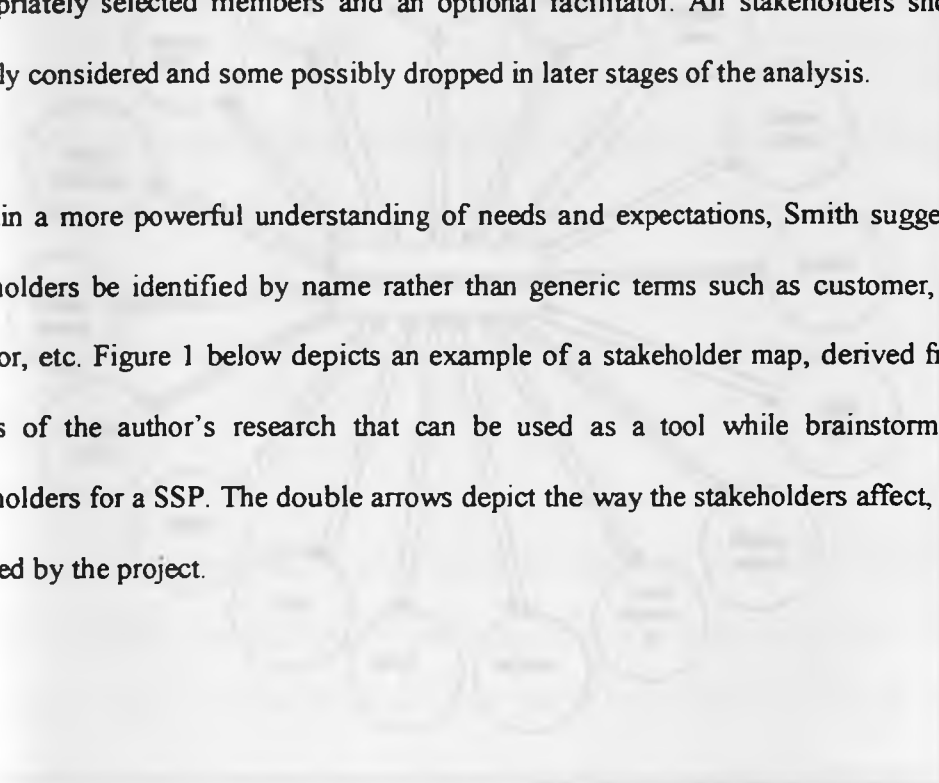
Another advantage of identifying the stakeholders at the beginning of the project is that the PM is able to see who is involved; who has influence, political or otherwise; and whose needs must be attended to throughout the project, and then manage and influence these to ensure a successful project. This has not always been the case with COKL. Follow up discussions with respondents and the author's working experience at COKL reveals that:

- 1) Many times the commissioning of SSP's has been put on hold for long periods of time because the KPLC has delayed in supplying electrical power to the stations.
- 2) The MOPW has often halted construction works at SSP sites causing delays in completion time
- 3) Many SSP's have failed to commence on schedule because of delayed approvals from the Local Authorities

Because the stakeholders change throughout the life of the project, Verzuh recommends that their identification, and clarification of the roles that they will play must be done continually, and at all the stages of the project. The respondents to the questionnaire agreed that this should be done on Caltex SSP's. The author believes that by doing so COKL will avoid the hitches listed above.

Seventeen groups or people were identified as stakeholders in Caltex SSP's. According to Smith (2000) stakeholder identification should be done as a brainstorming activity with appropriately selected members and an optional facilitator. All stakeholders should be initially considered and some possibly dropped in later stages of the analysis.

To gain a more powerful understanding of needs and expectations, Smith suggests that stakeholders be identified by name rather than generic terms such as customer, owner, sponsor, etc. Figure 1 below depicts an example of a stakeholder map, derived from the results of the author's research that can be used as a tool while brainstorming the stakeholders for a SSP. The double arrows depict the way the stakeholders affect, and are affected by the project.



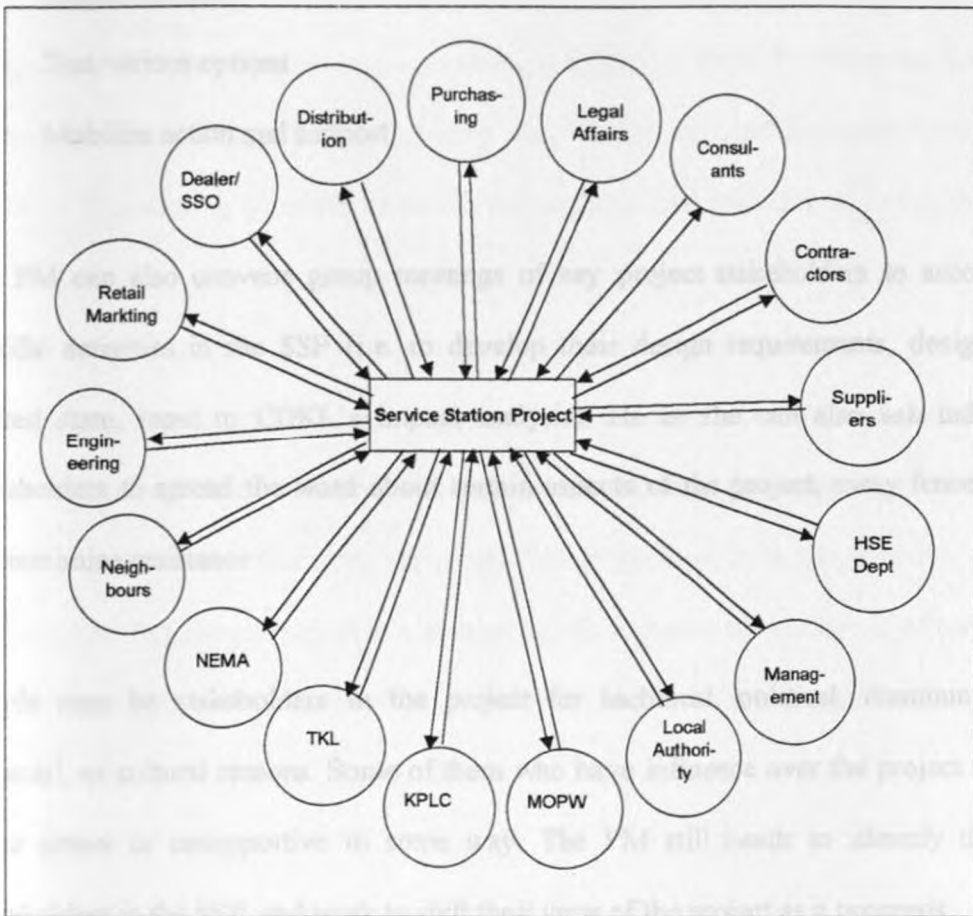


Figure 1: COKL Stakeholder Map - Adopted from Longview Associates (2001)

According to TenStepPB (2004) identifying stakeholders can also help one to:

- Use them to mobilize a critical mass of support for the project
- Maximize the ability to achieve our desired outcomes
- Reduce political dynamics in the project
- Generate critical information
- Shape culture
- Communicate the status of the project
- Gather reactions and input

- Dispel rumours
- Test various options
- Mobilize action and support.

The PM can also convene group meetings of key project stakeholders to accomplish specific activities in the SSP (i.e. to develop their design requirements, design their desired state, input to COKL's impact analysis). He or she can also ask individual stakeholders to spread the word about certain aspects of the project, sway fence sitters and minimize resistance

People may be stakeholders in the project for technical, political, communication, financial, or cultural reasons. Some of them who have influence over the project may be fence sitters or unsupportive in some way. The PM still needs to identify them as stakeholders in the SSP, and work to shift their view of the project as it proceeds.

#### **4.1.2 Stakeholder roles and responsibilities**

##### **4.1.2.1 The PM**

Verzuh (1999) compares a PM to a symphony conductor who directs an orchestra to bring out the magic in the music. The PM must keep all the disparate groups in a project moving in harmony. Whether planning the project, identifying the stakeholders, watching for cost overruns, or refereeing disputes, the PM has the primary role in any project.

Respondents to the questionnaire were equivocal that COKL appoints a PM to play the primary role of defining, planning, controlling and leading the SSP. However, follow up discussions clarified that COKL combines the function of Lead Engineer (who really should be Engineering's representative on the project team) with that of PM in the same person.

Suh (1990) shows that the choice of physical embodiment must be made so as not to couple Functional Requirements with Design Parameters. He represents this as the Independence Axiom. When an individual has to perform both the function of lead engineer and PM, that person is in a constant conflict regarding whether to allocate their time to the project management of the project, or towards technical contributions to their project.

Most lead engineers resolve this conflict in favour of making technical contributions to the project, and the project management function is minimally performed. Consequently, the leadership of the organisation never has the information to make optimal decisions about resource deployment. This has also been the case at COKL, leading the author to conclude that there is a need for COKL to separate the two functions for better project management performance.

#### 4.1.2.2 The Project Team

Verzuh (1999) states that the project team, in tandem with the PM do the work. All groups and individuals contributing time, skills, and effort to the project are considered

team members. In addition to the people from the company assigned to the project, these can include contractors, vendors and even customers. Respondents to the questionnaire were equivocal that COKL constitutes such teams on its SSP's.

However, follow up discussions revealed that the process of constituting the project team at COKL is incomplete. Currently these teams comprise company employees from Retail Marketing and Engineering. Other stakeholders contributing their time, skills and effort to SSP's are excluded. These include: the Dealer/ SSO; Purchasing, Legal Affairs and HSE Departments; Consultants; Contractors; and Vendors/ Suppliers. The author recommends that they too be included in the project team

All team members must agree to their responsibilities and roles on the project. Verzuh proposes the following steps in this process from start to finish:

- 1) Tasks should be broken down until the various skill requirements emerge
- 2) The PM and the sponsor then begin recruiting people and organizations with the necessary skills
- 3) The PM negotiates the involvement of these new team members
- 4) The PM clarifies the plan and ensures that all members understand it
- 5) Team Member responsibilities are documented both in the SOW and the project plan

#### 4.1.2.3 Management

Respondents agreed that Management helps the project team get the right people at the right time, and makes timely decisions based on facts presented by the project team. Through follow up discussions with the respondents the author confirmed that the PM works closely with functional managers in getting the best people for the job.

After management initiates a project and describes its scope, the PM designs a work plan detailing the required skills for the project and which departments (or external sources) the workers possessing these skills will come from. Management is extremely helpful in solving personnel or performance problems throughout the life of the SSP.

“Making timely decisions based on the facts provided by the team” is the other major responsibility of management. The author believes that Caltex PMs shouldn't have any difficulties identifying the managers who make the decisions because the following are known:

1. The managers whose operations will be affected by the outcome of the project
2. Managers representing other stakeholders, such as the customer
3. The manager to whom the PM reports

#### 4.1.2.4 The Sponsor

According to Verzuh (1999), the sponsor is the person with formal authority who is ultimately responsible for the project. They may be senior executives or junior managers. Their position and authority in the organisation is independent of any project and this

enables them to act as connections between projects and the normal decision making process. Sponsors might use their power on behalf of PMs, provide advice, or influence project priority. They provide the authority that PMs often lack.

Respondents agreed that COKL appoints a sponsor for the SSP. However, through follow up discussions with them, the author concluded that the sponsor concept is not well understood, and applied at COKL.

Verzuh uses another term for sponsor, that is champion as in "*I am championing this project team and I will not let anything stand in their way!*" At COKL, the Marketing Director is the person with formal authority and ultimate responsibility for SSPs, and is perceived by a majority of the respondents as being a suitable sponsor. The Marketing Director can lend authority to SSPs, and effectively champion them as follows:

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- Prominently supporting the PM by issuing a *project charter*. This is an announcement naming a new project, its purpose, and the PM.
- Assisting in developing a *responsibility matrix*, that shows how different stakeholder groups will be involved in the project
- Reviewing and approving the *SOW*, that describes the goals, constraints, and project management guidelines of the project.
- Reviewing and approving the *project plan*.
- Advising the PM, and discussing the status of the project with this manager regularly. The sponsor must be involved in the project before problems arise, to be



able to join in problem solving. Uninformed sponsors – sponsors in name only – are of little help to a PM when obstacles arise.

- Monitoring and maintaining the priority of the project relative to other projects. Because organizations have limited resources, there are always more valid projects proposed than time, money and people can deliver. To execute projects efficiently, COKL must be clear about the priorities of its various projects, including the amount of funding and other resources assigned to each.
- Assisting the PM overcome organizational obstacles. When the PM lacks the authority to overcome bureaucracy, the sponsor will have to step in on behalf of the project.

#### 4.1.2.5 The Customer

Right Track Associates (2004) describe the customer (or client) as the individual or group who have requested the project and will benefit from the result. According to Verzuh (1999), the customer has the final say on the product, because they pay the bills. Customers usually get the first and last word on product description, budget, and other criteria by which success will be measured.

Surprisingly the respondents were undecided on whether or not Caltex SSPs recognize and treat these stakeholders as customers. Customers contribute funding and product requirements. It is the author's opinion that determining who fills the role of customer should not present any challenge to the PM. As suggested by Verzuh the PM must be guided by two basic questions:

- Who is authorised to make decisions about the service station?
- Who will pay for this project?

The PM must distinguish between people with final authority over product requirements, those who must be consulted as the requirements are developed and those who simply need to be informed what the requirements are.

## 4.2 How Stakeholders Impact the Project

Right Track Associates (2004) state that within any project environment, stakeholders can have a positive or negative impact. This influence may be direct or indirect, depending upon a stakeholder's role. Project stakeholders ultimately determine the success or failure of a project. Cusing (2002) gives the following reasons for stakeholder sources of failure to the project:

- 1) They do not have a clear, common and unambiguous vision of what is to be achieved
- 2) They fail to make major decisions, even when they are the ones adequately qualified to do so, leaving this responsibility to the PM
- 3) They do not get involved in the project

Respondents to the questionnaire identified the stakeholders who can cause SSPs not to meet their cost, schedule, quality, or requirements objectives. While working at COKL

the author witnessed several SSPs that severely overrun their cost or schedules, had quality problems, or suffered outright cancellation. According to Rosenfield (2004) when this happens the projects are considered failures.

The author also experienced stakeholders (like Retail Marketing and the SSO) rejecting completed service stations because they didn't meet their expectations. Follow up discussions with respondents to the questionnaire confirmed that this still happens even today. Again, according to Rosenfield, when this happens the project has failed. It can be avoided by co-opting the requirements of these stakeholders into the SSP.

Interestingly, Rosenfield cautions that these stakeholders can also cause problems if they are too close to the projects requirements. If they do not consider the consequences of their requirements, they may steer the project into dangerous waters. Often, uninitiated or poorly directed stakeholders assume that how things were done in the past is how they will always be done in the future.

Follow up discussions also revealed that stakeholder conflicts have caused some Caltex SSPs to fail. Respondents attributed such conflict to stakeholders having personal reasons for not working together, or agreeing on priorities. Ego and pride sometimes get in the way of SSPs, ending in some disaster.

According to Rosenfield many projects fail because the project leaders don't have the absence of who ultimately declares the project a success or a failure. This study identified

Retail Marketing, the SSO and Management as the stakeholders who ultimately declare SSPs a success or failure. They need to hear good and bad news in “small pieces” rather than in “one chunk.”

The author also believes that Caltex SSPs fail because of ineffective executive-level sponsorship, and failure by key stakeholders to give information or resources to the project management team. As discussed in section 4.1.1 not all the key stakeholders participate in SSP activities. The World Bank’s Operations Evaluation Department (2001) notes that when the primary stakeholders participate in Bank activities, development relevance and outcomes improve. Project-supported activities tend to be more sustainable.

Even modest stakeholder participation can bring about improvements. Project design will become more relevant as the stakeholders, many for the first time, influence the placement of service station facilities, and indicate the level of service they want. Playing a role in decision-making will lead them to assume ownership of the SSPs, increasing both impact and sustainability.

The World Bank’s Operations Evaluation Department also found that participation also improves transparency and accountability in contracting and procurement and betters relations between stakeholders. The costs of participation may lead to an increase in the total project costs... The author recommends further study to establish the implications and magnitude of this increased cost.

As emphasised by Verzuh (1999) all parties involved in SSPs have a vital interest in their success, and each has an essential contribution to make: providing authority, or funding, or expertise in product requirements. All these contributions are needed to ensure success. SSPs lacking one key stakeholder are likely to come to an abrupt halt or careen off course

#### **4.2.1 Meeting Stakeholder Requirements**

Smith (2000) states that a project is more likely to be successful if it begins well. This includes spending time at the outset to discuss project stakeholders' key needs and expectations, and augmenting them with documented plans to meet these requirements.

The respondents to the questionnaire didn't doubt that time was spent at the beginning of SSPs to discuss stakeholder needs and expectations, and to document plans to meet those needs. However, in subsequent discussions with them the author confirmed that this exercise is limited to three stakeholders, namely: Engineering, Retail Marketing and HSE.

COKL's project management team should extend these discussions and documentation of plans to cover the other stakeholders. Especially those who can significantly impact on the project, like: contractors, local authorities, consultants, Management, and NEMA.

The respondents generally concurred that: key stakeholders on SSPs clearly articulate their requirements; and any changes in stakeholder requirements are planned for and

proactively anticipated. However, as previously observed, this has been restricted to three stakeholders. There is a need to include the others.

According to Smith understanding, extracting and solidifying documented project requirements is one of the most difficult tasks. COKL must first teach the other stakeholders how to give clear requirements. The PM and project personnel shouldn't compound the issue by automatically assuming requirements will change; and then fail to plan for, or proactively anticipate changes.

Smith clarifies that requirements go beyond hard and fast product technical specifications. It is equally tough to satisfy each end user's definition of functionality in delivered products. Also, often forgotten project requirements dealing with "softer," human-oriented needs and expectations have the potential to make or break a project.

For example, the sponsor may insist that certain information be relayed to them at definite times in a specific format during the project life cycle. Or, the PM may need to fulfil requirements with key players outside of the project's environment. These are examples of derived requirements that are primarily communications oriented. COKL's PMs must spend a significant amount of time clarifying requirements for the various stakeholders.

Each SSP has internal and external stakeholders. Often these stakeholders, or their interests, change during different phases of the project. Consequently some technical requirements - assumed to be stable - likewise change. Interestingly, a number of non-technical requirements usually never change, but may be forgotten. Smith gives the following examples:

- Each team member is required to know the project goals and their individual, specific role throughout all project phases.
- A financial sponsor assumes up front that his money will be effectively spent and that information of the project's progress at milestones will be communicated to them as requested.
- A functional manager must provide an expert for strategic planning activities who can be used in cost and schedule estimating activities.

These requirements ensure that project goals and individuals' roles are clear. They lend confidence to completing project objectives, fulfilling communication needs, and following priorities. If these requirements aren't met, the project could possibly be terminated or suffer. COKL can reach an understanding on these types of requirements by discovering and aligning SSP requirements with the communicated and non-communicated derived project stakeholder requirements.

As explained in section 4.1.2.2 COKL doesn't properly constitute its SSP teams. In follow up discussions with respondents, the author confirmed that many stakeholders

don't know the project goals and are not assigned individual, specific roles throughout all project phases. COKL needs to properly constitute project teams to execute SSPs and ensure that all team members agree to their responsibilities and roles on the project.

Respondents to the questionnaire concurred that information of the progress-at-milestones of SSPs is communicated to the relevant stakeholders as requested. In follow up discussions with them, the author confirmed that the respondents understood the relevant stakeholders to be Engineering, Retail Marketing and Management. The author believes that a properly constituted project team will comprise more stakeholders who will also require information on the progress-at-milestones.

The respondents also concurred that the resources needed for planning, costing and schedule estimating were adequately provided on these projects. Meeting or exceeding stakeholder needs and expectations invariably involves balancing their competing demands among scope, time, cost and quality. The respondents also agreed that this does happen with the SSPs at COKL. However, as already observed by the author, this is only done with Engineering, Retail Marketing and Management in view. More work will be required for the bigger reconstituted project teams.

According to Smith the competing demands among stakeholders with *differing* needs and expectations also need to be balanced. In follow up discussions, the author confirmed that though this happens at COKL, it is limited to Engineering, Retail Marketing and HSE.



Caltex SSPs must also recognise and consider the needs and expectations of the wider scope of stakeholders.

Managing and balancing competing needs and expectations involves knowing what they are or from whom they come. Failure to meet the needs or expectations of just one influential stakeholder at a critical time can ruin a project. *Who is that stakeholder, and when is that critical time?* In follow up discussions with respondents to the questionnaire the author confirmed that very little time is taken to:

- Discover and align stakeholders' expectations and individual impact on the SSP.
- Outline requirements change processes knowing that stakeholder needs and expectations will likely change.

Caltex SSP teams should make available, and document this information. It can be monitored and revisited as necessary throughout the project to diminish the tendency to focus solely on moving forward; thus, forgetting that project expectations change.

#### **4.2.2 Stakeholder interest and impact table**

As suggested by Smith (2000), Caltex SSP stakeholders should be listed in a table or spreadsheet with their key interests, potential level of project impact, and priority in

relation to other stakeholders. Care should be taken to outline multiple interests, particularly those that are overt and hidden in relation to project objectives.

Identification of interests has to be done with stakeholders' perspective in mind. This is difficult as interests are usually hidden and may contradict openly stated aims. Each interest should be related to the appropriate project phase, because interests change as the project moves from beginning to ending phases. With some stakeholders it may be crucial to extract interests by formally asking them questions such as:

- What are your project expectations?
- How do you benefit from successful project completion?
- Which stakeholders do you believe are in conflict with the project interests?
- Do stakeholders have contradictory interests?

After identifying major interests, SSP teams can outline how the project will be impacted if these are or are not met. They can use simple annotation, like positive (+), negative (-), or unknown (?), as well as high (H), medium (M), low (L), or uncertain (?).

To align project success criteria with interests, project teams should give a rough prioritisation of each stakeholder with their accompanying interests. Since not all needs can be met with the same level of intensity or at the same time, a prioritisation schema would be beneficial. Table 1 below provides an example of this information. Caltex SSP teams should discuss this information in facilitated brainstorming sessions using flip-chart paper and sticky-notes (as typically used) until formally documented.

Stakeholder	Interests	Estimated project impact	Estimated priority
<b>Owner</b>	Achieve targets Liability (avoid at all costs) Increase sales margin	Med + High - Med +	1
<b>Sponsor</b>	Successfully address needs of adjunct customer Appears competent among peers Provides new market to expand ventures	Low + Low - Med +	3
<b>Team Members</b>	New product excitement Demand end-of-year bonus Retain and expand skill level Strike (if basic demands aren't met with new process)	Med + ? Med + High -	2
<b>Project Manager</b>			

**Table 1 : Stakeholder interest and impact table adopted from Smith (2000)**

### 4.3 Stakeholder Influence and Importance

According to Smith (2000), determining whether stakeholders in a position of strong influence hold negative interests may be critical to project success. This can best be done by conducting a formal assessment of each stakeholder's level of importance and influence to the project.

### 4.3.1 Stakeholder influence

*Influence* indicates a stakeholder's relative power over and within a project. A stakeholder with high influence controls key decisions within the project, has strong ability to facilitate implementation of project tasks, and causes others to take action. Influence is usually derived from hierarchical, economic, social, or political position. Though personal connections to other influential persons also qualifies. Other indicators include: expert knowledge, negotiation and consensus building skills, charisma, holder of strategic resources, etc.

The respondents to the questionnaire categorised stakeholders into three levels of influence on SSPs, namely: high; medium; and low levels of influence. However, they were undecided whether or not formal assessments of each stakeholder's influence are conducted on SSPs. In follow up discussions with the respondents the author confirmed that such assessments are not actually done.

Conducting formal assessments each stakeholders' influence is important. Right Track Associates (2004) state that within any project environment, stakeholders can have a positive or negative impact. This influence may be direct or indirect, depending upon a stakeholder role. Table 2 below contrasts potential influences from a positive and negative perspective, by key project stakeholders.

Stakeholder	Positive Influence	Negative Influence
Customer	<ul style="list-style-type: none"> <li>▪ Offers full cooperation</li> <li>▪ Sets consistent requirements</li> <li>▪ Makes timely decisions</li> <li>▪ Sets realistic priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of cooperation</li> <li>▪ Constantly changing requirements</li> <li>▪ Delays decisions</li> <li>▪ Fails to set priorities</li> </ul>
Project team member	<ul style="list-style-type: none"> <li>▪ Performs role as expected</li> <li>▪ Raises issues and problems as soon as needed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fails to perform role as expected</li> <li>▪ Communicates outside the chain of command</li> <li>▪ “Not my problem” attitude</li> </ul>
PM	<ul style="list-style-type: none"> <li>▪ Shows an interest in project quality</li> <li>▪ Stays informed on all project issues</li> <li>▪ Makes timely decisions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Demonstrates obvious disinterest</li> <li>▪ Unwilling to hear all sides of an issue</li> <li>▪ Fails to respond to issues on a timely basis</li> </ul>
Sponsor	<ul style="list-style-type: none"> <li>▪ Provides consistent project support</li> <li>▪ Makes timely decisions</li> <li>▪ Listens to all sides of an issue</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fails to support the PM when needed</li> <li>▪ Fails to consider all sides of an issue</li> <li>▪ Shows lack of interest in the project</li> </ul>
Management	<ul style="list-style-type: none"> <li>▪ Stays informed on the project even without an active role</li> <li>▪ Raises post project issues according to established methods</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bad-mouths the project for political reasons</li> <li>▪ “Not invented here” attitude</li> <li>▪ Fails to cooperate on post project activities</li> </ul>

**Table 2: Stakeholder Influence - Adopted form Right Track Associates (2004)**

This list is not all-inclusive, but it illustrates the degrees to which individual stakeholders can influence ultimate project success. Under certain circumstances, stakeholder influence must be considered as a project risk. Considering political realities, all concerned may not always warmly welcome SSPs. And, misinformation, negative comments and poor attitudes can quickly defeat a project, no matter how well planned. As such, after identifying and analysing SSP stakeholders, the allies must be separated from the adversaries, and relationship plans developed to deal with each in a positive way.

### 4.3.2 Stakeholder Importance

*Importance* indicates the degree to which the project cannot be considered successful if needs, expectations, and issues are not addressed. It is derived based on the relation of the stakeholder need to the project's goals and purposes. For instance, the human resources department may be key to getting the project new resources at a critical time, and the accounting department key to keeping the finances in order. Typically the users of the project's product are considered of high importance.

The respondents to the questionnaire categorised the SSP stakeholders into three levels of importance, namely: high; medium; and low. However, again they were undecided whether or not formal assessments of each stakeholder's importance to SSPs are conducted. In follow up discussions with the respondents the author confirmed that such assessments are not actually undertaken.

According to LongView Associates (2001) it is important to identify the key stakeholders on SSPs, including major customers. Project team members should rank order their top choices for specific attention. This information is critical in terms of determining and satisfying the quality, cost, and time components of project initiatives.

### 4.3.3 Importance-Influence Classification

Smith (2000) states that influence and importance are distinct from each other. A project may have an important financial sponsor that can shut down the project at any time for any reason, but does not participate at all in the day-to-day operations of the project. The combination of these two measures provides insight into how stakeholders interact, and helps identify additional assumptions and risks.

A diagram of these relationships can be useful to understand potential risks and highlight groups of stakeholders whose needs can be addressed in a common manner. Figure 2 below shows such a diagram. The importance-influence measures can be annotated with a range of high (H), medium (M), and low (L). Notably, stakeholders in the high influence-high importance quadrant are considered key stakeholders. This is the area where project teams need to focus their attention when the SSP is suffering.

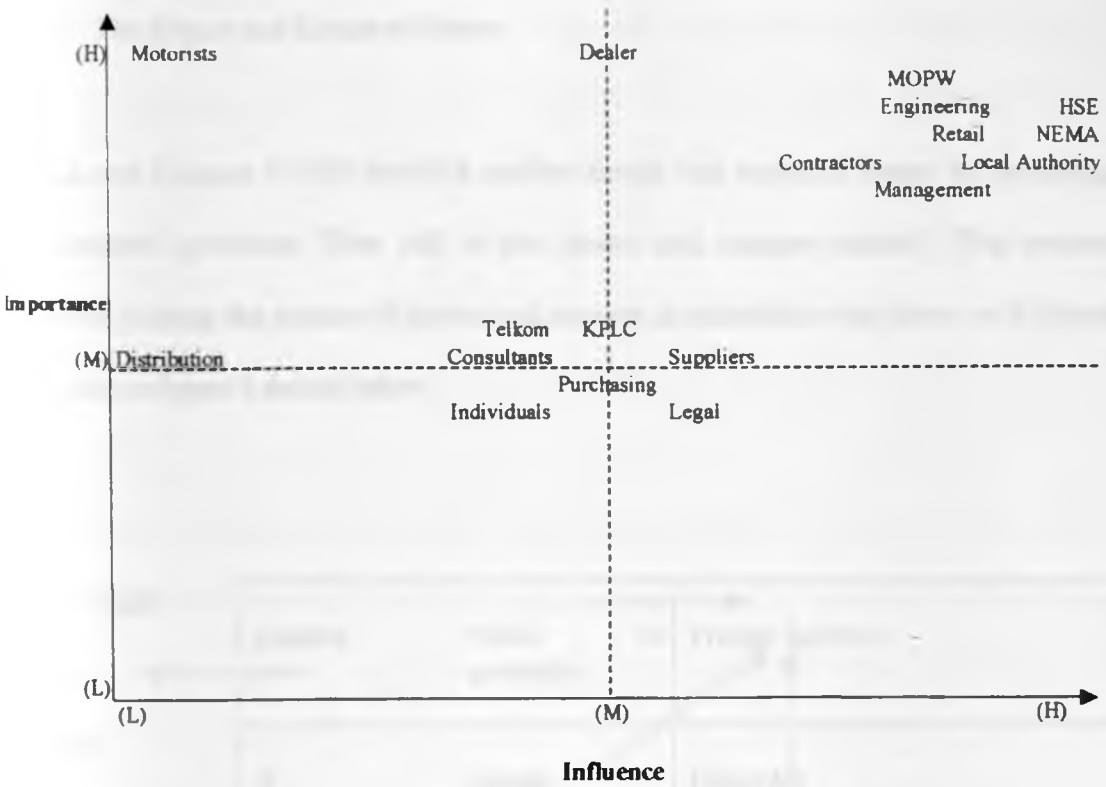


Figure 2: Importance-Influence classification - Adopted from Smith (2000)

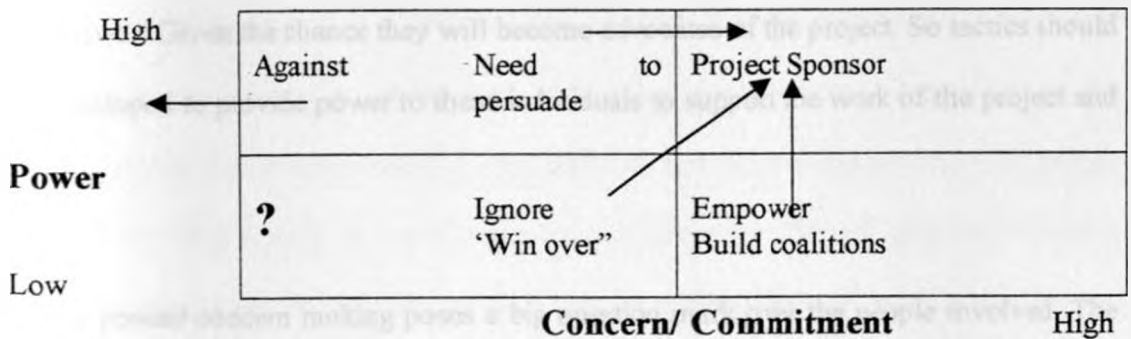
Stakeholders in the low importance-high influence quadrant have the potential of becoming a high project risk. For instance, individuals without apparent needs, or who don't provide any technical requirements to SSPs, but have undue influence over a key funding sources, should be monitored carefully.

A more interesting picture would be a dynamic view over the life of the project rather than this static view. For instance, a key indicator of project success may be where the key customer is located at the conceptual, implementation, and closeout phases of the project



#### 4.3.4 The Power and Concern Matrix

Elbeik and Thomas (1998) describe another simple but powerful means of reviewing stakeholders' positions. They call it the 'power and concern matrix'. This process involves plotting the amount of power and concern a stakeholder may have on a project as shown in figure 3 shown below.



**Figure 3: Managing stakeholders: power and concern matrix**

Power is defined as the ability to get things done in the organisation. It can be related to influence as described by Smith (2000) in figure 2 above. According to Elbeik and Thomas, people may have strong authority through the organisation hierarchy or be seen as influential figures because of their technical knowledge. Concern is defined as the level of commitment that someone might have in making sure a project or its outcomes succeed. It can be related to importance in Smith's Influence-Importance classification

COKL's project teams can use the matrix in figure 3 to map the various stakeholders and their views on the SSP. The matrix is a flexible tool that can be amended to each individual project. It will enable Caltex PMs plan their tactics and involve the sponsor in deciding critical actions. The SSP requires a sponsor who is high power/ concern – someone who is passionate and committed but also influential; a person that can get things done.

The PM may need to plan strategies to empower stakeholders defined as high concern/ low power. Given the chance they will become advocates of the project. So tactics should be developed to provide power to these individuals to support the work of the project and its aims.

A low power/ concern ranking poses a big question mark over the people involved. The PM can choose to ignore such groups, in the knowledge that they matter very little to the SSP. Alternatively, the PM might seek to motivate or energize them towards the projects aims, as an additional support.

Probably the most critical box on the matrix is that of high power/ low concern. This poses the biggest challenge to any PM. Failure to manage this box determines real danger to the SSP. There are two possible interpretations for any stakeholder, such as the finance function, laced in the high power/ low concern box. The PM must be very careful as to how they interpret and proceed on this issue.

The first interpretation is that the stakeholder may not yet be convinced of the virtues or benefits of the project. They may believe that they have a better perspective on the issues or a proper business case has not been set out. The PM may need to redouble communication efforts to this stakeholder. The PM may involve their sponsor to help the process, the aim being to shift this stakeholder to a high power/ high concern position. Such a shift could ultimately determine the success or failure of the project... Too many high profile/ low concern stakeholders may scupper the overall project.

The second interpretation is a negative one, namely, that the stakeholder is ultimately against the project and at worst may wish it to fail altogether. Depending on the circumstances this could become a very difficult and contentious project with people actually working against its stated aims. In such cases the PM will need to provoke a crisis meeting with the sponsor to spell out the difficulties and implications for the project.

The power and concern matrix should be used at the outset of a project as well as through out its life cycle. Being clear as to where stakeholders stand at the beginning of a SSP is critical, but it is also possible that people lose interest or develop other priorities once the project is under way. The stakeholder analysis grid helps the PM keep a close focus on critical issues of commitment and support. This tool can be used in informal sessions with a project sponsor to highlight issues or concerns.

#### **4.4 Building Stakeholder Commitment**

Robertson (2000) recognizes the need to find ways of appropriately involving project stakeholders throughout the life of the project. Explaining to them why the project needs their particular expertise in order to be successful, better the chance that they will commit to being involved. Without stakeholder commitment, projects can be stopped or stalled, access to information and people is harder, and implementation of important actions becomes difficult (Parisse-Brassens, 2004).

Gopaul (2003) states that stakeholder commitment allows for consensus building for project activities. It provides for easy access to resources, information and knowledge, the sharing of this information and knowledge among stakeholders, consensus on the required interventions and agreement on the implementation of project activities.

Respondents to the questionnaire, and follow up discussions with them led the author to conclude that SSP managers:

- 1) View engagement, in particular consultation, with SSP stakeholders as a necessary part of implementing core project activities, but they do not address issues beyond the immediate goal.
- 2) Stay in control of the interaction with stakeholders, and approach engagement with a fixed agenda and a strategy for achieving set goals.

- 3) See engagement with SSP stakeholders as a means of achieving specific positions or outcomes, rather than as open processes aimed at meeting stakeholder needs as well as their own.
- 4) Do not engage with a broad range of stakeholders because this only leads to more demands, more company staff time, and more spending.
- 5) Limit engagement with stakeholders to a small number of representatives, particularly those who are the most, influential, powerful or potentially most obstructive of SSP operations.

The author concluded that Caltex PMs focus on winning and outcomes, overlooking the important process of interaction with SSP stakeholders. They do not effectively identify and address the root problems that create the need for stakeholder engagement. As long as these root causes are not addressed, SSP stakeholders will continue to bring them to the attention of the company.

In follow up discussions with the respondents the author confirmed that SSP managers wait to engage with stakeholders until they (managers) have to respond to a problem, or specific issues that affect the SSP are at stake. Many times the MOPW and Local Authorities have stopped construction works at SSP sites because the projects lack proper statutory approval, or the works being carried out don't comply with statutory requirements. SSP managers are reactive to problems, rather than proactive in establishing overall relationships with these stakeholders.

The author found out some reasons why PMs wait to engage with stakeholders. One reason was that the PMs do not always have answers for the questions they anticipate. They postpone consultations because they want first to come up with the answers to questions they expect will be raised. The Corporate Engagement Project (2000) suggests, though, that consultation processes often generate options and creative ideas for dealing with issues for which management has not yet found solutions.

Another reason is because PMs think that negotiation or consultation will delay implementation. They view stakeholder consultation as a time-consuming obstacle that will only negatively affect the production deadline. However, The Corporate Engagement Project signals that well-designed and ongoing consultation processes increase stakeholder ownership and reduce the risk of delays from complaints, obstruction, or even sabotage.

Because PMs wait to engage directly with most of the SSP stakeholders, interaction only occurs from opposite sides of the negotiating table, when something is at stake. According to The Corporate Engagement Project, there is a risk associated with waiting to engage: When PMs respond only to acts of obstruction and work shutdowns their project stakeholders experience a negative reinforcement that compels them to engage in negative activities where they might otherwise have chosen not to.

In subsequent discussions with respondents to the questionnaire the author was told that sometimes tensions escalate between the SSP manager and the contractors, or vendors,

resulting in high contract prices. The author attributes this to limited interaction and communication between the contractors, and vendors, with the PM: they resort to doing what they can to have their needs met while the doors are open, since they often aren't.

#### **4.5 Stakeholders As An Integral Part Of The Team**

Hemmati and Whitefield (2003) state that stakeholders can create innovative solutions to complex problems if they share their knowledge, learn together and develop a collective approach. In successful multi-stakeholder partnerships, partners share risks, pool resources and talents and deliver mutual benefits for each other. They develop collective commitment and capacity to turn ideas and plans into action.

Some of the best team designs and plans fail because of stakeholder resistance. The respondents to the questionnaire concurred that some SSP stakeholders criticize service stations even when they have been well designed. In follow up discussions with them the author identified the stakeholders as the Dealer, SSUs and Management. Notably the three stakeholders are excluded from the design and implementation stages of SSPs. Because they will be most impacted by the project, they must be involved in order to gain their commitment and increase the project's chances of success.

The respondents also agreed that some stakeholders who are excluded from the decision-making process sometimes question the legitimacy of the decisions made during the course of the project. Again the author identified them stakeholders as: The Dealer; the

SSUs; the Distribution, Purchasing and Legal Affairs Departments; and sometimes Management.

According to Coenen (2002) decisions taken without stakeholder participation may be seen as illegitimate because they do not reflect their will and values. There is a higher risk of conflict with such stakeholders, as they are not offered the possibility of articulating their various interests.

The respondents agreed that by excluding these stakeholders, SSPs were being deprived of additional sources of ideas and information. Also, as stated by Coenen, the SSPs are denied of quality of decision-making, because the necessary information is not provided and both systematic identification of problems and their causes, and the consideration and assessment of alternative strategic options are lacking.

The Project Management Manual (1998) lists the following as areas where project stakeholders must be consulted throughout the project cycle:

- 1) Analysis of the existing situation (what do they know about the existing situation?)
- 2) Problem identification (what are their problems?)
- 3) Prioritisation of issues (which is the most important problem?)
- 4) Clarification of the objectives of any intervention (what are their objectives?)



- 5) Clarification of the expected results of any intervention (what do they want from a project?)
- 6) Identifying resources available for the project (what resources can they put in?)
- 7) Identifying resources needed for the project (what resources do they need?)
- 8) Producing Terms of Reference (is it what they require?)
- 9) Going through a tendering process (stakeholders should assist in the selection process, where appropriate)
- 10) Ongoing monitoring and reporting arrangements (stakeholders should be kept informed, and consulted about changes to the project)
- 11) Identifying problems (stakeholders can identify problems more quickly than the PM)
- 12) Addressing failures
- 13) Modification of the project objectives as appropriate (stakeholders have a role to play in whatever changes are made)
- 14) Assessing whether the contractor has truly completed the task (stakeholders' opinions are valuable in this respect)
- 15) Identifying what resources are required for the future - if something goes wrong this may mean that more resources are required rather than that the project has failed (stakeholders should also try to learn from experience)
- 16) Identifying the need for future projects (stakeholders may want to promote new projects)

It is obvious from this list that consultation with all stakeholders is important to project success. Nonetheless, on a day-to-day basis it is easy for a PM to ignore stakeholders who they do not meet frequently and who do not have any direct part in the management of the project. The PM may find it useful to make a schedule of meetings with representatives of stakeholders or to set up a steering committee for the project. In this way stakeholders can be kept informed in the easiest manner.

Courtney and Holtham (2003) observe that ideas can evolve rapidly and consensually in a multi-disciplinary project. Too often the process of idea development is cloaked in mystery. The key to success is the will to collaborate with the stakeholders of the project. Respondents to the questionnaire were undecided on whether or not information and knowledge sharing with stakeholders is sustained between face-to-face events on SSPs.

In follow up discussions with the respondents the author confirmed that a very small number of stakeholders is included in the information and knowledge-sharing loop, namely Engineering, Retail Marketing and Management. This loop should be extended to include more stakeholders. As suggested by Courtney and Holtham, it should be nurtured throughout the project period and supported with processes such as:

- An online infrastructure providing the stakeholder with a shared workspace – in effect, a virtual office with electronic corridors
- Agreement and promulgation of guidelines and templates to aid the presentation of information and new knowledge

- Relational efforts devoted to sustaining the stakeholders' capability for clear dissemination.

There was general consensus among respondents to the questionnaire that SSP stakeholders willingly try to compromise on issues, acknowledge and respect others. Collaboration requires tremendous effort by all stakeholders of the project. According to the US Department of Justice (2000) research has demonstrated overwhelmingly that successful collaborations depend on skilled leaders.

In follow up discussions with the respondents, the author confirmed that COKL's project staff do not have the training or experience necessary to convene, lead, and facilitate collaborations effectively. COKL should provide them with appropriate training, and augment this with hiring qualified PMs to manage their SSPs with a view to transferring knowledge.

The stakeholders are a second critical factor in successful collaborations. The US Department of Justice states that successful collaboration requires the time, energy, and talent of supportive stakeholders. Caltex SSP stakeholders must be supportive of collaborative efforts because convening meetings, documenting progress, and acting on agenda items all take dedicated stakeholder time.

Collaboration can change the way COKL executes its SSPs and requires a profound shift in their thinking, and how they manage these projects. Collaboration can change their

PMs' project organizational focus from competing to consensus building, from working alone to including others, from thinking about activities to thinking about results and strategies, and from focusing on short-term accomplishments to demanding long-term results.

## 5.0 CONCLUSIONS

### 5.1 Satisfying *All* Stakeholder Expectations

From the discussion of the results of the research in section 4.0, the author concludes that COKL does not satisfy *all* stakeholder expectations in the projects they are currently undertaking. This section summarises what COKL needs to do in order to achieve stakeholder satisfaction.

#### 5.1.2 Identifying Project Stakeholders

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Using the definition of Right Track Associates (2004), a stakeholder is any group or individual having a vested interest in the planning, initiation, execution and completion of a SSP. Some stakeholders on a typical SSP were identified as:

- Engineering
- Retail Marketing
- Dealer/ SSO
- Distribution/ Logistics
- Purchasing
- Legal Affairs
- Consultants
- HSE
- Management
- Local Authority
- MOPW
- KPLC
- TKL
- NEMA

- Contractors
- Neighbours
- Suppliers/ Vendors

The stakeholders should be identified at the beginning of the SSP, and then involved in making all the important decisions during the definition and planning stages of the project. Under the guidance of the PM they should establish agreements on the goals and constraints of the project, construct the strategies and schedules, and approve the budget.

Also, the PM will be able to see who is involved; who has influence, political or otherwise; and whose needs must be attended to throughout the project, and then manage and influence these to ensure a successful project.

### ***5.1.2 Stakeholder Roles and Responsibilities***

Currently the Lead Engineer also performs the role of PM on Caltex SSPs. COKL should appoint an independent PM to play the primary role of defining, planning, controlling and leading the SSP

Current project teams comprise employees from Engineering and Retail Marketing. COKL should expand these teams to include all groups and individuals who contribute time, skills, and effort to the SSPs.

Management helps project teams get the right people at the right time, and makes timely decisions based on facts presented by the project team. They also assist in getting the best people for the job, and are extremely helpful in solving personnel or performance problems throughout the life of the projects. This should be continued.

COKL should appoint a sponsor with formal authority and ultimate responsibility for the project. The sponsor should act as a connection between the project and COKL's normal decision-making process, be able to use his or her power on behalf of the PM, provide advice, and influence project priority. The sponsor should provide authority that the PM often lacks.

The PM and the project team should clearly recognise, and treat as customers the stakeholders who are authorised to make decisions about the project, and who pay for it.

### ***5.1.3 Stakeholder Impact on the Project***

Some stakeholders are responsible for SSPs not meeting their cost, schedule or quality requirements. This results in project failure, often characterised by severe cost or schedule overruns, quality problems, or sometimes, outright cancellation. Some stakeholders even reject the end product because it does not meet their expectations. COKL can minimise or eliminate these failures by:

- Identifying the stakeholders of their SSPs

- Identifying the stakeholders who will ultimately declare the project a success or failure, and not “blindsiding” them
- Co-opting the requirements of all key stakeholders into the project
- Ensuring that key stakeholders provide information or resources to the project management team
- Involving the stakeholders in developing a clear, common and unambiguous vision of what is to be achieved by the project
- Involving the stakeholders in decision-making
- Involving the stakeholders in the implementation of the project
- Resolving conflicts between the stakeholders
- Providing executive-level sponsorship.

Not all key stakeholders participate in Caltex SSPs. Even modest participation can bring about improvements. Project design will become more relevant as stakeholders, many for the first time, influence the placement of service station facilities and indicate the level of service that they want. Playing a key role in decision-making will lead the stakeholders to assume ownership of the SSPs. The costs of participation may lead to an increase in the total project costs and COKL may need to establish the implications and magnitude of this increased cost.



#### 5.1.4 Stakeholder Requirements

Discussions covering stakeholders' key needs and requirements, at the outset of the SSP, should not be limited to the Engineering, Retail Marketing and HSE departments. More stakeholders should be included, especially those significantly impacting the project, like the contractors, Local Authorities, Management and NEMA. Their needs and expectations should also be included in the documented plan to meet stakeholders' requirements. Any changes in their requirements should also be planned for and proactively anticipated.

COKL should properly constitute its project teams, comprising representatives from this wider group of stakeholders, and ensure that each team member knows the project's goals, and are assigned individual, specific roles throughout all project phases. The team members have to agree to their responsibilities and roles on the project. Once constituted, the project team should be responsible for:

- Collating, reporting and distributing information on progress-at-milestones of the project to the relevant stakeholders
- Costing, and schedule estimating, planning and controlling the project
- Balancing competing stakeholder demands among scope, time, cost and quality
- Balancing the competing demands among stakeholders with differing needs and expectations.

### 5.1.5 Stakeholder Influence

Stakeholders with a high level of influence can control key decisions within the SSPs. They also have strong ability to facilitate implementation of project tasks and cause others to take action. Such stakeholders would include:

- Engineering
- Retail Marketing
- Contractors
- Management
- The Local Authority
- MOPW
- NEMA
- HSE

There are two other levels of influence within which the other stakeholders on COKL's projects have been categorised – medium and low. It is important that the project management team conducts formal assessments of each stakeholder's level of influence on SSPs because they (stakeholders) can have a positive or negative impact on the project. This influence may be direct or indirect, depending on the stakeholder's role.

Project management teams may need to consider stakeholder influence as a project risk. Not all that are concerned will always welcome SSPs. And, misinformation, negative comments and poor attitudes can quickly defeat a project, no matter how well it may have been planned. After identifying and analysing project stakeholders, the allies must be separated from the adversaries and relationship plans developed to deal with each in a positive way.

### **5.1.6 Stakeholder Importance**

The stakeholders are important because SSPs cannot be considered successful unless their needs, expectations and issues are addressed. After identifying the key stakeholders the project team should rank order their top choices for specific attention. This information is critical in terms of determining and satisfying the quality, cost, and time components of COKL's project initiatives.

### **5.1.7 Stakeholder Importance-Influence Classification**

By combining the influence and importance measures of the projects stakeholders Caltex project teams will gain insight, not only in how the stakeholders react, but also in identifying additional assumptions and risks. Using Smith's (2000) Importance-Influence Classification (see Figure 2 on page 50) Caltex project teams will understand potential risks and highlight the stakeholders whose needs can be addressed in a common manner.

Caltex project teams should regard the stakeholders with both high influence and high importance as the key stakeholders of the SSP. Those with low importance and high influence should be regarded as having the potential to become a high project risk. One such example is the stakeholder who does not have any apparent needs, or doesn't provide any technical requirements to the project, but has undue influence over the key funding source. Such stakeholders should be monitored closely.

### 5.1.8 Stakeholder Commitment

Caltex PMs should find ways of appropriately involving project stakeholders throughout the life of the SSP. They should explain to the stakeholders why the project needs their particular expertise in order to be successful. Also, the PM should not only focus on winning and outcomes, and should not overlook the importance of the process of interaction with the projects stakeholders. They should effectively identify and address the root problems that create the need for stakeholder engagement.

PMs should be proactive, rather than reactive, in establishing relationships with the project's stakeholders. They should not wait until they have to respond to a problem, or until specific issues are at stake that will affect the project, in order to engage with stakeholders

Lack of answers to the questions PMs expect the stakeholders to raise should not be a reason for delaying engagement. Consultation processes will most probably generate opinions and creative ideas for dealing with issues that the PM may not yet have found solutions.

Caltex PMs should stop viewing engagement with stakeholders as a time-consuming obstacle that will only negatively affect the production deadline. Well-designed and

sustained consultation processes will increase stakeholder ownership of SSPs and reduce the risk of delays from complaints, obstruction, or even sabotage.

#### **5.1.9 Stakeholders as an Integral Part of the Team**

Caltex SSP stakeholders are diverse. Making them an integral part of the project team will enable them share their knowledge, learn together, and develop a collective approach. This will also create an atmosphere for innovative solutions to complex problems, allow for the development of a collective commitment and the capacity to turn ideas and plans into action.

By including the stakeholders at all stages of the project PMs will minimise stakeholder resistance and criticism of service station designs. The stakeholders should also be allowed to participate in the decision making process. This will reduce the questioning of decisions made during the course of the project. And the decisions arising from stakeholder participation will reflect their will and values, and the risk of conflict with them will also be significantly reduced.

Making the stakeholders an integral part of the team will give Caltex PMs access to additional sources of ideas and information. Quality decisions will be made because the necessary information will be available, as will be both systematic identification of problems and their causes, and the consideration and assessment of alternative strategic options.

## Stakeholders Are The Key to a Successful Project

Caltex PMs may find it useful to make a schedule of meeting with representatives of the stakeholders or to set up a steering committee for the project. In this way stakeholders can be kept informed in the easiest manner. The project information and knowledge-sharing loop should be extended to include more stakeholders (currently it comprises Engineering, Retail Marketing and Management), and sustained between face-to-face events.

COKL should train its project staff on how to convene, lead and facilitate collaborations effectively and augment this with hiring qualified PMs to manage their SSPs with a view to transferring knowledge. The stakeholders will have to be supportive and dedicate time, energy and talent. Convening meetings, documenting progress and acting on agenda items all take dedicated stakeholder time.

Collaboration can change the way COKL executes its SSPs and requires a profound shift in their thinking, and how they manage these projects. Collaboration can change their PMs' project organizational focus from competing to consensus building, from working alone to including others, from thinking about activities to thinking about results and strategies, and from focusing on short-term accomplishments to demanding long-term results.

## 5.2 Stakeholders Are The Heart of a Successful Project

From this study the author also concluded that the stakeholders are the heart of a successful project, for the following reasons:

- a) They have vested interests in the planning, initiation, execution and completion of the project. Because these interests may be positively or negatively affected, they should be examined carefully in order to ensure that project strategies are properly planned and executed, and so that stakeholder demands and perspectives are placed in proper context.
- b) They make all the important decisions at all stages of the project. Under the guidance of the PM they establish agreements on the goals and constraints of the project, construct strategies and schedules, and approve the budget.
- c) They can have a positive or negative impact on the project. This influence may be direct or indirect, depending upon a stakeholder role. Failure to identify the impact of stakeholders on a project can lead to significant delays and cost overruns. In extreme cases, stakeholders can achieve complete abandonment of a project.
- d) They make essential contributions to projects, such as authority, funding, or expertise in product requirements, ensuring project success. Projects that lack one of the key stakeholders are likely to come to an abrupt halt or careen off course.

- e) Their requirements ensure that project goals and individuals' roles are clear. The stakeholders lend confidence to completing objectives, fulfilling communication needs and following priorities. Not meeting the needs or expectations of just one influential or powerful stakeholder at a critical time can possibly ruin a project.
- f) Stakeholders with high influence control key decisions within a project and have strong ability to facilitate implementation of project tasks, and cause others to take action. A project may not be considered successful if the needs, expectations and issues associated with stakeholders deemed to be important are not addressed.
- g) Without stakeholder commitment projects can be stopped or stalled, access to information and people is harder, and implementation of important actions becomes difficult. Stakeholder commitment allows for consensus building for project activities. It provides easy access to resources, information and knowledge, the sharing of this information and knowledge among stakeholders, consensus on the required interventions and agreement on the implementation of project activities.
- h) When diverse stakeholders share their knowledge, learn together, and develop a collective approach, innovative solutions to complex problems can be created.



i) Failure to involve stakeholders in a project may lead them to question the decisions that were made without their participation. There is a potential for the stakeholders to see such decisions as illegitimate because they do not reflect their will and values. Also, there is a higher risk of conflict with stakeholders, as they are not offered the possibility of articulating their various interests.

j) Absence of stakeholder involvement deprives the project of an additional source of ideas and information. Participation contributes to the quality of decision-making, because it provides the necessary information and contributes to both systematic identification of problems and their causes, and the consideration and assessment of alternative strategic options.

# APPENDIX 1

## Questionnaire

2.1	<b>Identifying the Stakeholders in the Project</b>	
	<p>Please circle the letter that best describes your feelings about the statements listed below. The numbers represent the following responses:</p> <p>1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree</p>	
2.1.1	The first task on the project is to identify the stakeholders	1 2 3 4 5
2.1.2	Throughout all stages of the project we continuously identify who the stakeholders are	1 2 3 4 5
2.1.3	<p>The following are stakeholders because they make a contribution to services station projects or have vested interests in the planning, initiation, execution and completion of the project</p> <p>a) The Engineering Department</p> <p>b) The Retail Marketing Department</p> <p>c) The Dealer/ Operator of the service station</p> <p>d) Motorists/ Users of the service station</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>

e) The Distribution/ Logistics Department	1 2 3 4 5
f) The Purchasing Department	1 2 3 4 5
g) The Legal Affairs Department	1 2 3 4 5
h) Consultants	1 2 3 4 5
i) Contractors	1 2 3 4 5
j) Suppliers/ Vendors	1 2 3 4 5
k) The Health, Safety & Environment Department	1 2 3 4 5
l) Management	1 2 3 4 5
m) The Local Authority	1 2 3 4 5
n) The Ministry of Public Works	1 2 3 4 5
o) The Kenya Power & Lighting Company	1 2 3 4 5
p) Telkom Kenya Ltd	1 2 3 4 5
q) The National Environment Management Authority	1 2 3 4 5
r) Individual citizens or organizations neighbouring the project site	1 2 3 4 5
Others: (Please list them below)	
s) _____	1 2 3 4 5
t) _____	1 2 3 4 5
u) _____	1 2 3 4 5
v) _____	1 2 3 4 5

2.2	<b>Stakeholder Roles and Responsibilities</b>	
	<p>Please circle the letter that best describes your feelings about the statements listed below. The numbers represent the following responses:</p> <p>1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree</p>	
2.2.1	A project manager is appointed to play the primary role of defining, planning, controlling and leading the project	1 2 3 4 5
2.2.2	A project team is constituted comprising all stakeholders who contribute time, skills and effort to the project.	1 2 3 4 5
2.2.3	Management helps the project team get the right people at the right time and makes timely decisions based on facts presented by the project team	1 2 3 4 5
2.2.4	A sponsor is appointed to act as a connection between the project and the normal decision-making process in the company; the sponsor is ultimately responsible for the success of the project and helps the project manager and the project team to be successful	1 2 3 4 5

2.2.5	The stakeholder(s) who request for the project and benefit from the result are recognised and treated as customer(s)	1 2 3 4 5
2.3	<i>How stakeholders impact a project</i>	
2.3.1	<p>List the stakeholders who can cause the project to delay (attach additional list if necessary)</p> <p>a) _____</p> <p>b) _____</p> <p>c) _____</p> <p>d) _____</p> <p>e) _____</p>	
2.3.2	<p>List the stakeholders who can cause the project to overrun its budget (attach additional list if necessary)</p> <p>a) _____</p> <p>b) _____</p> <p>c) _____</p> <p>d) _____</p> <p>e) _____</p>	

23.3	<p>List the stakeholders who can cause the project to fail in meeting its quality requirements (attach additional list if necessary)</p> <p>a) _____</p> <p>b) _____</p> <p>c) _____</p> <p>d) _____</p> <p>e) _____</p>	
23.4	<p>List the stakeholders who can cause complete abandonment of the project (attach additional list if necessary)</p> <p>a) _____</p> <p>b) _____</p> <p>c) _____</p> <p>d) _____</p> <p>e) _____</p>	
23.5	<p>List the stakeholders who will ultimately declare the project a success or failure (attach additional list if necessary)</p> <p>a) _____</p> <p>b) _____</p> <p>c) _____</p> <p>d) _____</p>	

2.4	<i>Meeting Stakeholder Requirements</i>	
	<p>Please circle the letter that best describes your feelings about the statements listed below. The numbers represent the following responses:</p> <p>1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree</p>	
2.4.1	Time is spent at the beginning of the project to discuss the needs and expectations of the stakeholders and to document a plan to meet these needs	1 2 3 4 5
2.4.2	The key stakeholders clearly articulate their requirements	1 2 3 4 5
2.4.3	Any changes in the stakeholders' requirements are planned for and proactively anticipated	1 2 3 4 5
2.4.4	Information of the project's progress at milestones is communicated to the relevant stakeholders	1 2 3 4 5
2.4.5	Resources needed for planning, costing and schedule estimating activities are adequately provided	1 2 3 4 5

2.4.6	The competing demands among key stakeholders with respect to scope, time, cost and quality are balanced	1 2 3 4 5
2.5	<b>Stakeholder Influence</b>	
2.5.1	<p>Please circle the letter that best describes your feelings about the position of influence the stakeholders listed below have on a project. The letters represent the following responses:</p> <p>H = High; M = Medium; L = Low</p> <ul style="list-style-type: none"> <li>a) The Engineering Department</li> <li>b) The Retail Marketing Department</li> <li>c) The Dealer/ Operator of the service station</li> <li>d) Motorists/ Users of the service station</li> <li>e) The Distribution/ Logistics Department</li> <li>f) The Purchasing Department</li> <li>g) The Legal Affairs Department</li> <li>h) Consultants</li> <li>i) Contractors</li> <li>j) Suppliers/ Vendors</li> <li>k) The Health, Safety &amp; Environment Department</li> </ul>	<p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p>



l) Management	H M L
m) The Local Authority	H M L
n) The Ministry of Public Works	H M L
o) The Kenya Power & Lighting Company	H M L
p) Telkom Kenya Ltd	H M L
q) The National Environment Management Authority	H M L
r) Individual citizens or organizations neighbouring the project site	H M L
Others: (Please list them below)	
s) _____	H M L
t) _____	H M L
u) _____	H M L
v) _____	H M L
<p>Please circle the number that best describes your feelings about the statements listed below. The numbers represent the following responses:</p> <p>1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree</p>	

2.5.2	A formal assessment of each stakeholder's level of influence is conducted for each project	1 2 3 4 5
2.6	<b>Stakeholder Importance</b>	
2.6.1	<p>Please circle the letter that best describes your feelings about the position of importance the stakeholders listed below have on a project. The letters represent the following responses:</p> <p>H = High; M = Medium; L = Low</p> <ul style="list-style-type: none"> <li>a) The Engineering Department</li> <li>b) The Retail Marketing Department</li> <li>c) The Dealer/ Operator of the service station</li> <li>d) Motorists/ Users of the service station</li> <li>e) The Distribution/ Logistics Department</li> <li>f) The Purchasing Department</li> <li>g) The Legal Affairs Department</li> <li>h) Consultants</li> <li>i) Contractors</li> <li>j) Suppliers/ Vendors</li> <li>k) The Health, Safety &amp; Environment Department</li> <li>l) Management</li> <li>m) The Local Authority</li> </ul>	<p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p> <p>H M L</p>

	n) The Ministry of Public Works	H M L
	o) The Kenya Power & Lighting Company	H M L
	p) Telkom Kenya Ltd	H M L
	q) The National Environment Management Authority	H M L
	r) Individual citizens or organizations neighbouring the project site	H M L
	Others: (Please list them below)	
	s) _____	H M L
	t) _____	H M L
	u) _____	H M L
	v) _____	H M L
	Please circle the number that best describes your feelings about the statements listed below. The numbers represent the following responses: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree	
2.6.2	A formal assessment of each stakeholder's level of importance is conducted for each project	1 2 3 4 5

2.7	<i>Building Stakeholder Commitment</i>	
	<p>Please circle the number that best describes your feelings about the statements listed below. The numbers represent the following responses:</p> <p>1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree</p>	
2.7.1	Stakeholder participation in the implementation of key project activities is allowed, but does not address issues beyond the immediate project goal	1 2 3 4 5
2.7.2	Interaction with stakeholders is controlled and engagement is approached with a fixed agenda and a strategy for achieving set goals	1 2 3 4 5
2.7.3	Engagement with the projects stakeholders is used only when a specific position or outcome has to be achieved; or in response to a problem; or when a specific issue is at stake and will affect the projects activities	1 2 3 4 5
2.7.4	Engagement involves a limited number of stakeholders to minimise demands and save on project staff time.	1 2 3 4 5

2.7.5	Engagement is limited to those stakeholders who are most influential, powerful or potentially most obstructive to the projects activities	1 2 3 4 5
2.8	<b><i>Stakeholders as an Integral Part of the Team</i></b>	
2.8.1	<p>Please circle the number that best describes your feelings about the statements listed below. The numbers represent the following responses:</p> <p>1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree</p> <p>Some stakeholders criticise our service stations even when they have been very well designed</p>	1 2 3 4 5
2.8.2	Some stakeholders who are excluded from the decision making process sometimes question the legitimacy of the decisions made during the course of the project	1 2 3 4 5
2.8.3	Some stakeholders are excluded from SSPs depriving these projects of additional sources of ideas and information	1 2 3 4 5

2.8.4	Information and knowledge sharing with stakeholders is sustained between face-to-face events	1 2 3 4 5
2.8.5	Each stakeholder willingly tries to compromise on issues, acknowledge and respect others	1 2 3 4 5

## **ABBREVIATIONS**

<b>COKL</b>	<b>Caltex Oil Kenya Ltd</b>
<b>HSE</b>	<b>Health, Safety &amp; Environment</b>
<b>KPLC</b>	<b>Kenya Power &amp; Lighting Company</b>
<b>MOPW</b>	<b>Ministry of Public Works</b>
<b>MSc</b>	<b>Master of Science</b>
<b>NEMA</b>	<b>National Environment Management Authority</b>
<b>PM</b>	<b>Project Manager</b>
<b>SSO</b>	<b>Service Station Operator</b>
<b>SSP</b>	<b>Service Station Project</b>
<b>SSPM</b>	<b>Service Station Project Manager</b>
<b>SSU</b>	<b>Service Station User</b>
<b>SOW</b>	<b>Statement of Work</b>
<b>TKL</b>	<b>Telkom Kenya Ltd</b>

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