INFLUENCE OF STAKEHOLDER MANAGEMENT ON PROJECT SUCCESS IN THE NORTHERN CAPE OPERATING UNITS (NCOU) PROJECTS OF ESKOM

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**DECLARATION** 

"I declare that the Field Study hereby submitted for the Magister in Business

Administration at the UFS Business School, University of the Free State, is my own

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I also hereby cede copyright of this work to the University of the Free State."

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Date: 15/10/2020

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#### ABSTRACT

The purpose of this study was to investigate the influence of stakeholder management on project success in Eskom NCOU since the year 2000. Eskom is South Africa's electricity public utility, as well as the largest producer of electricity in Africa. The company has implemented a variety of projects to increase its capacity and to ensure that all plants are fully maintained and operating at optimum levels. Eskom has not been engaging properly with its stakeholders and that has resulted in delays of project deliveries as well as work stoppages. In addition, this has caused social unrest among citizens in various municipalities. The objectives of the study were to ascertain the influence of stakeholder management on projects. The historical background and objectives of the stakeholder management on Eskom projects were explained through the literature review.

The instrument used to collect data in this research was semi-structured interviews. The research study unearthed that at Eskom, the use of stakeholder management is important, as it fosters relationships and communication crucial for driving projects, and also that stakeholder management improves motivation and decreases conflict. The research determined that stakeholders can play several roles in a project life cycle. The findings showed that the management of stakeholders plays a pivotal role in ensuring project success. The findings also revealed that the participants agreed that project managers should have a stakeholder management plan that is all-encompassing.

The recommendations suggest that the general management of project stakeholders and project success is enhanced by improving both the project and the environment that promote the needs of project stakeholders. Effective communication between stakeholders and project leaders plays a pivotal role in ensuring that projects succeed. Project leaders should identify key stakeholders that have the capacity to stall or stop projects. They need to work hand in hand with stakeholders and address their concerns as much as possible.

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#### **CHAPTER 1: INTRODUCTION**

# 1.1 Introduction and Background

A significant number of projects attribute their success to proper and top-notch stakeholder management; it is therefore important that any organisation, including Eskom, ensures that for every project that they do, all stakeholders are properly managed. This chapter introduces the topic, highlights the research background, problem statement and research objectives, and research questions, as well as the significance of the research.

Projects are not performed in a vacuum, but within an organisation, within an industry, market, in communities and for customers or shareholders (Ahmed & Shepherd 2010:34). Heizer and Render (2010:109) define stakeholders as individuals or organisations (groups) that can influence the success or failure of a project or are affected by the success or failure of a project.

Construction projects, by their diverse nature, have individuals and organisations actively involved in them, or whose interests may be affected positively or negatively by the project outcome (Gardiner, 2005:44). Studies have revealed that stakeholders can contribute to project success or failure (Newcombe, 2003:90). It is therefore imperative for management to consider the influence of its actions and decisions on stakeholders as the actions and decisions of stakeholders influence the project (Clements & Gido, 2012:113).

It is in light of this discussion that this proposal aims to investigate the influence of stakeholder management on project success in Eskom Northern Cape Operating Units (NCOU) projects since the year 2000. Over the past two decades, increasing research has been done into stakeholder management due to its positive influence on project delivery (Gracy & Larson, 2006:156). According to Schwalbe (2009:126), there are several, but no formal approaches to stakeholder management by the construction industry. Kaiser and Kaplan (2006:117) state that the cultures of a nation and the construction industry environment have an influence on the stakeholder management process and project outcome. Stakeholder management is essential to achieve stakeholder needs and satisfaction (Too & Weaver, 2014:178).

Studies have identified several approaches to stakeholder management processes (Gracy & Larson, 2006:13).

Varying approaches of stakeholder management (SM) can partly be attributed to the different construction industry practices, culture, environment and historical developments. Grutter (2010:154) states that developed and developing nations follow different stakeholder theories and practices; this is because of the differing nature of challenges faced by management in the different locations (Fung, 2017:29).

Stakeholders are "people or organizations that are actively involved in the project, or whose interests may be positively or negatively affected by project" (Clements & Gido, 2012:18). According to Portny (2017:123), it is important that project managers understand the characteristics of and features of project stakeholder management to be able to identify and determine the stakeholder needs and expectations. In addition, Schwalbe (2017:112) reiterates that stakeholder management is about engaging, influencing and involving the stakeholders in the decision-making process.

Eskom is South Africa's electricity public utility; it is the largest producer of electricity in Africa. Since 2007, Eskom has been implementing load shedding due to failure in meeting the national demand for electricity. The lower supply of electricity has been due to plant breakdowns, coal shortages, employee strikes, and low capacity in aged plants. Consequently, the company has implemented a variety of projects to increase its capacity as well as ensure that all plants are fully maintained and operating at optimum levels. The Northern Cape Operating Unit (NCOU) is responsible for all the Eskom power plants in the Northern Cape, including Vanderkloof Hydroelectric Power Station, which generates a 240MW. In total, NCOU is responsible for operating 222 substations for Eskom. It is also responsible for the implementation of future Eskom electricity generation programs, which includes an installed capacity of 5MW in solar energy by the end of 2020 (Eskom, 2020:9).

Eskom has not been engaging properly with its stakeholders and that has resulted in delays of project deliveries as well as work stoppages. In addition, this has caused social unrest among the citizens in the Northern Cape where residents of Dikgatlong Municipality, Barkley West Municipality, Delportshoop Municipality and Kimberley have been involved in various protests, which in turn are tarnishing the image of

Eskom (SABC Digital News, 2018; Sowetanlive, 2018). It is based on this background that the researcher seeks to investigate the influence of stakeholder management on project success in Eskom NCOU projects.

#### 1.2 Problem statement

Eskom seeks to monitor and manage its stakeholders in all their projects. Proper monitoring of stakeholders leads to early conflict resolution and project success. Stakeholders of Eskom have a big stake in their projects and hence managing them ensures that the projects conform to their specific needs.

The challenge at Eskom and its Northern Cape Operating unit is the lack of engagement and consultation of Eskom's stakeholders and communities. This challenge is evidenced through problems of stakeholders who fail to execute their responsibilities, workers that go on strikes and communities that carry out protests against Eskom. Failure to address these problems through engagement will lead to delays in current and future project implementation, which will consequently affect Eskom's ability to generate enough electricity for the Northern Cape and South Africa as a whole.

# 1.3 Research objectives

# 1.3.1 Primary research objective

The primary research objective of this study is to investigate the influence of stakeholder management on project success in Eskom NCOU since the year 2000.

#### 1.3.2 Secondary research objectives

The secondary research objectives of this study are to:

- Explore the various role players on stakeholder management and project success;
- Discuss the influence of stakeholder management on project success at Eskom NCOU;
- Ascertain the influence of communication with stakeholders on the success of the Eskom NCOU core projects; and

 Recommend stakeholder management strategies for Eskom, Northern Cape to ensure project success.

# 1.4 Research questions

The research questions for this study are the following:

- What influence does stakeholder management have on the success of projects?
- What are the key role players in projects who have an impact on stakeholder management and project success?
- What is the impact of stakeholder management on the success of projects at Eskom?
- How does communication with stakeholders influence the success of the Eskom NCOU core projects?
- What are the recommendations for improving stakeholder management practices at Eskom?

# 1.5 Research methodology

# 1.5.1 Research design

Research methodology focuses on the collection and analysis of data from the primary research (Burns & Grove, 2015:119). The research methodology constitutes the research design, research strategy, sampling, research instruments, validity and reliability, data analysis, pilot study and ethical considerations.

The research design is a method of collecting data that involves grouping together many components of research in a systematic manner with the purpose of addressing the research problem correctly (Butler, 2014:129). According to Cader (2016:123), examples of research design include causal-comparative, explanatory, correlational, descriptive and exploratory research.

#### a. Experimental studies

Experimental studies refer to control-based studies where the researcher introduces the cause and records the change produced for the researcher to starts causes and waits to observe its effects (Kumar, 2014).

### b. Descriptive research

Kowalczyk (2013:1) defines descriptive research as research as research to discover information and also give clarification. Descriptive research seeks to describe existing conditions without analysing relationships among variables.

#### c. Explanatory research

Heeks (2013:182) defines explanatory research as research to explain cause and effect. It focuses on a single area and seeks out details that explain said phenomenon.

#### d. Exploratory research

Kumar (2014) defines exploratory research as research that is done with the purposes of gathering descriptive information and answering questions like why a certain phenomenon exists. Exploratory research is unrestricted, interactive and open minded in nature.

This research study adopted an exploratory research design, because the aim of the study is to explore how stakeholder management affects project success in Eskom NCOU projects. The study was centred on the various views of the stakeholders regarding the level of stakeholder engagement and how it has affected project success.

Research philosophy "is the worldview that the researcher has in order to understand the nature of the problem philosophical" (De Vos, Fouche & Deport, 2011:22). The research philosophy chosen for this study is phenomenology, described as a qualitative research approach philosophy. "The qualitative research approach looks deeper at the problem and allows engagement of participants and has a more profound analysis of the problem as it derives understanding form the set of experiences, views and beliefs of the participants" (Gray, 2014:53). The reason behind the choice of phenomenology philosophy for this research was because it allows for a deeper look at the subject from the participant's point of view.

# 1.5.2 Sampling and target population

Sampling strategy is a technique that breaks down the target population into a smaller number that is easy to manage (Burns & Grove, 2015:123). There are two types of sampling, namely probability and non-probability sampling. According to Coppersmith (2013:62), probability sampling gives everyone in the target population the same opportunities of being selected to participate in the research study. Examples of probability sampling include simple random, systematic, cluster and stratified random sampling.

The target population can be defined as the total number of people in a research process where vital information will be gathered (Butler, 2014:76). The total number of Eskom employees in the Northern Cape is 655; of these 107 work within the assets creation department, who are responsible for handling Eskom projects on a daily basis. The 107 employees comprise 55 employees with 6 to 10 years' experience (51%); 20 employees with more than 10 years' experience (19%); and 32 employees with 1 to 5 years' experience (30%). A sample of 16 employees was chosen through stratified random based on years of experience. Thus, 8 participants with 6 to 10 years' experience were selected; 3 with more than 10 years' experience; and 5 with 1 to 5 years' experience.

#### 1.5.3 Data collection

The proposed study used semi-structured interviews to collect data. The reason for selecting semi-structured interviews is that they encouraged the collection of data about the point of views and experiences of the stakeholders involved with Eskom. The semi-structured interviews were administered by the researcher through an interview guide which questions were drafted based on the research questions.

# 1.5.4 Data analysis

Data analysis is an approach used to present, interpret and analyse data obtained from the primary research (Cader, 2016:117). The proposed study used thematic data analysis. According to Dawson (2015:63), thematic data analysis has the ability to interpret and analyse variables involved in the research. The research will

establish themes that enable the researcher to analyse findings in a logical way that answers research questions.

# 1.5.5 Pilot study

A pilot study is research carried out before the actual research study is done. It is conducted to verify the viability of the study and check whether there is a need to modify the research or not (Butler, 2014:32). The proposed study selected four Eskom employees to conduct the pilot study; these four employees were not included in the actual research. The pilot study was used to test the reliability of the questions in the interview in answering the research questions, thereby allowing the researcher to make necessary adjustments if needed before the full study.

#### 1.5.6 Ethical considerations

The proposed study considers ethical principles in the research process. The ethical principles include no harm or injury to the research participants, permission, consent, confidentiality. In addition, the researcher obtained ethical clearance from the university. The Ethical clearance letter is attached in the Appendices, the Ethical clearance number is UFS-HSD 2020/0627/1307.

#### 1.5.6.1 No harm or injury

Harm or injury happens when a research participant is hurt either emotionally and/or physically as a consequence of participating in the study (Cader, 2016:115). The proposed study tried to avoid harm and injury. Emotional harm was avoided by not using any offensive language that is racial, tribal and gender sensitive.

#### 1.5.6.2 Permission

A written letter was submitted to Eskom, seeking permission for the research study to be conducted at the organisation.

#### 1.5.6.3 Informed consent

Informed consent is a way in which participants are not coerced or forced to participate in the research process (Burns & Grove, 2015:62). The proposed study gave participants consent letters to sign to indicate that they participated out of their

own free will. The consent letters informed the participants of the research problem,

research questions as well as how the research findings will be used.

1.5.6.4 Confidentiality

The records of all the participants were put in a locked safe place to ensure their

confidentiality. The identity of participants was not requested in order to maintain

confidentiality. A research report was written at the completion of the research in line

with the stipulation by the University. The names and confidential information of the

respondents will not be published to keep their identity unknown.

1.5.7 Demarcation of field of study

The focus of the study was to investigate the influence of stakeholder management

on project success in Eskom NCOU projects since the year 2000. The study involved

Eskom employees and the field of study of this research undertaking is project

management.

1.6 Significance of the study

The study can be valuable to Eskom's NCOU projects department as it reveals how

the department can monitor and manage their stakeholders effectively in all their

projects. The department will also be able to achieve project success based on

effective management of key stakeholders and to conform to their specific needs.

For employees, they will be in a position to appreciate the importance of stakeholder

communication which will eliminate problems of stakeholder engagement, delays in

current and future projects implementation. The economy as a whole can benefit

from Eskom's efficiency and effectiveness in provision of electricity for the Northern

Cape and South Africa as a whole. For the academia, the study may add knowledge

on ways of improving stakeholder management, which can be used in undertaking

future studies.

1.7 Outline of the study

Chapter One: Introduction and problem statement.

Chapter Two: Literature review.

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Chapter Three: Research methodology.

Chapter Four: Results, discussion and interpretation of findings.

Chapter Five: Conclusions and Recommendations.

#### 1.8 Conclusion

The above research proposal seeks to investigate the influence of stakeholder management on project success in Eskom NCOU projects. Management has the role of guiding organisations towards successful attainment of organisational goals; it is therefore important for them to understand the role that communication, engagement and stakeholder management plays in ensuring that projects are successful and organisational goals are achieved. The above proposal has detailed the research problem and questions, the literature on stakeholder management as well as the research methodologies shaping the proposed research on stakeholder management and project success.

#### **CHAPTER 2: LITERATURE REVIEW**

#### 2.1 Introduction

The literature reviewed in this section defines and portrays the idea of stakeholder management influence and its contribution to project success. The research problem looks into the importance of managing project stakeholders to ensure that the project objectives are achieved despite varied stakeholder interference. This chapter considers issues to do with project stakeholder identification and the level of influence these stakeholders will have to the success of the project. It is critical to also examine the objectives of the identified stakeholders and how they will influence project. Communication plays a pivotal role; as such, the role of the communication process between critical stakeholders and project managers was put into perspective. Since project stakeholders have a significant influence on the entirety of any project, it is therefore vital to examine in detail the extent of their influence on projects. Accordingly, a short theory review on project strategy and its connection to project success follows.

# 2.2 Definition of key terms

#### 2.2.1 Project

A project can be described as a methodology utilised by an organisation to accomplish its key objective; the procedure could be recommended to have a beginning and an end date (Achterkamp & Vos, 2017:435). In addition, Barber and Warne (2015:1033) state that a project incorporates the use of "human and non-human resources (for example people, equipment, money)". Binder (2017:554) defines a project as a transitory undertaking attempted to make a unique product, service or result.

Bourne and Walker (2015:650) distinguish the five attributes of a project as follows:

- A set-up objective;
- A predetermined life expectancy with start and end;
- The participation of various offices and experts;
- A task that has never been done; and
- Defined time, cost and execution prerequisites.

Projects have various constraints, which include scope, cost, time, quality, risks and resources. Managing these constraints is one of the key difficulties project management intends to address.

# 2.2.2 Stakeholder management

Project stakeholders have been broadly examined in different project management works. Cleland and Gareis (2016:119) depict project stakeholders as individuals whose interests could influence the result of the task. Gido, James and Clements (2011:228) contend that although project stakeholders are a group of individuals who have different interests for a specific task; they are likewise intrigued by an effective result regardless of the degree of interest. The Project Management Institute (2018) defines a project stakeholder as an individual, group, organisation, who may affect, be affected by a decision, activity or outcome of a project undertaking. Internal stakeholders may include employees, management, project team members, and government and donor organisations. External stakeholders may include customers, local authorities, parastatals, beneficiaries. government, contractors subcontractors. Hamilton (2014:178) proposes that stakeholder management manages the relationships between partners within project undertakings. This relationship must be created and organised to accomplish a fruitful result. Nicholas (2016:179) says stakeholder management is just simple persuasion of stakeholders by project managers. Harrington and McNellis (2016:443), as well as Jepson and Eskerod (2016:330) concur that stakeholders are comprised of more than one person, dealing with this relationship as depicted by Kerzner (2014:35)

#### 2.2.3 Project success

Rodolfo (2018:4) defines a successful project as one that meets the defined objectives within its budget frames and scheduled times. However, project success for development projects can be seen as one that goes beyond meeting budgets and timeframes, they deliver benefits and meet the expectations of the stakeholders, beneficiaries and the donors. Rodolfo (2018:5) continues to say that project success can also be measured in terms of how effective or efficient they were. Effective projects are measured in terms of benefits and stakeholder satisfaction. Efficient ones depend on how the project manages the limited resources to meet the set

goals, whilst maintaining good relationship with both internal and external stakeholders. Lock (2017:301) supports the above saying project success entails the fulfilment of stakeholder needs estimated by the achievement criteria as distinguished and concurred at the beginning of the project.

Koester (2014:177) proposed that a project is a success if the final product gives value to the customer and improves the livelihood of the consumers. Rodolfo (2018:4) postulates that it is important for success criteria to be defined correctly at the start of the project, this will enable an object evaluation at project completion. As such, he sets three basic levels of project success determination:

- Level 1: Project Completion Success: This level sets the tone on the criteria
  used to determine the extent of the success of the project output. It deals with
  project constraints, scope, budget, schedule and quality. These criteria are
  limited to the duration of the project and success can be measured during and
  soon after project termination.
- Level 2: Results Success: This sets the criteria by which the product or service is deemed a success or failure. These criteria are used once the product is delivered to the intended beneficiaries. They receive the final product, use it and give feed back to the project managers and stakeholders on the suitability of the product.
- Level 3: Development Success: This determines the criteria by which a
  product or service brings value to the beneficiaries or stakeholders and how it
  contributes to their wellbeing in terms of things like health, social, and
  economic benefits.

Conclusively, the criteria set apply to the electrical industry in the Northern Cape. Projects undertaken have budgets, scope and timeframes which relate to level 1. The electricity delivered is used by consumers, including locals, industry, metropolitans, government departments and communities and this answer to level 2. Finally, introduction of electricity to rural communities adds value and improves their wellbeing; hence is developmental.

#### 2.3 Theoretical framework

# 2.3.1 Stakeholder theory

The stakeholder theory recommends the standards for overseeing stakeholders of an enterprise. It categorises stakeholders and what they may expect, it helps project managers to decide on the most proficient method to address these requirements (Ackermann & Eden, 2016:245). This theory tries to help enterprises to manage dynamic business conditions and unpredictable needs of different stakeholders of the company (Heeks, 2013:204). Young-Hoon (2015:130) further recommends that the level of influence of every stakeholder on the project should be surveyed.

Ackerman and Eden (2016:248) note that the significance of stakeholders to organisational strategy and general organisational planning has to be valued. However, stakeholders' consideration regarding performance has not been adequately done. In the public sector, it is fundamental that performance measurement is done and the outcomes be utilised for administrative purposes to enhance the rating of an enterprise. According to Binder (2017:322), organisational planning perceives that stakeholders influence the activities of an enterprise. The management is required to fuse stakeholders' needs in business operations. The adoption of stakeholders' approaches to strategic management should direct future decisions of the organisation.

The stakeholder theory also stresses the importance of the connection between project managers and vital project stakeholders. In particular, management should comprehend that the achievement of projects can be affected incredibly by the involvement of different stakeholders. These stakeholders will be engaged, depending upon the relationship they have with the project management and not junior staff working on behalf of top management (Binder, 2017:323).

# 2.3.2 Resource dependency theory

The resource dependency theory points out that companies do not operate independently, as they depend on different factors/enterprises in the business environment. This dependence gives external elements an influence in controlling how an enterprise operates. This theory states that stakeholders that possess resources/assets required by an enterprise are viewed as significant. However,

Heeks (2013:211) argues that capacity does not exclusively show the significance of stakeholders. Authoritative theories see authentic stakeholders as those that truly count. The external environment should be surveyed in accordance with stakeholder desires and this be fused in business goals. In managing its stakeholders, project managers need to perceive that not all stakeholders' needs will be met. Some decisions will bring about conflicts of interest and others may mean rearrangement of interests for a specific stakeholders' group (Ackermann & Eden, 2016:251).

# 2.4 An overview of the stakeholder management process

Barber and Warne (2015:1040) affirm that the identification and analysis of the desires and objectives of a stakeholder help to decide the level of influence that they have on the project. In this regard, project managers should employ techniques that assess the level of the influence a stakeholder could have on an undertaking, instead of the effect of the project on the stakeholder or the stakeholders' goals. On the other hand, Binder (2017:574) contends that the project supervisor and his team ought to facilitate a procedure that empowers stakeholders to recognise, negotiate and accomplish their targets through stakeholder empowerment and engagement.

Following a broad survey of the literature, Bourne and Walker (2015:663) infer that the principle stakeholder management theory concerns two primary areas:

- Identification of project stakeholders, assessing their interests and dedication,
   and deciding their potential effect on the project; and
- An analysis of various kinds of stakeholder relationships, disclosing how stakeholders respond to the differences between the project goals against their goals, and defining procedures dependent on this analysis.

The stakeholder management approach described in the PMBOK Guide (PMI, 2013:114) appoints the systems associated with stakeholder management to the project management procedure groups as depicted in Figure 2.1. This structure classifies stakeholder analysis as systems under the process group identify stakeholders.

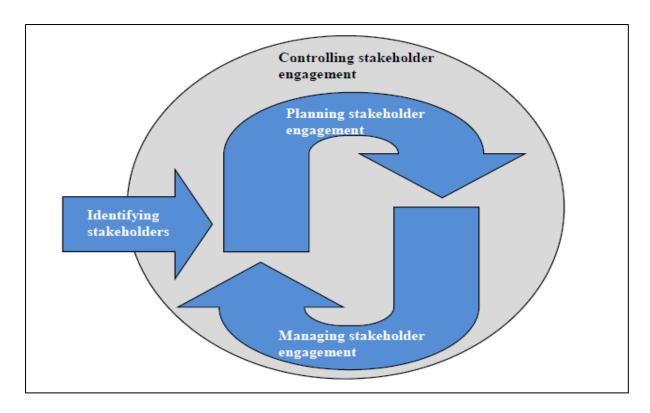


Figure 2.1: Stakeholder management processes (Source: PMI, 2013:115))

As per the PMBOK Guide (PMI, 2013:116), stakeholder management incorporates forms required to accomplish the following:

- Identify stakeholders;
- Analyse stakeholder desires and their effect on the project; and
- Develop powerful commitment systems that encourage stakeholder contribution in project decision making and execution.

Furthermore, the PMBOK Guide (PMI, 2013:118) recommends that the focal point of stakeholder management should be on constant communication with project stakeholders.

Cleland and Gareis (2016:130) define stakeholder management as the procedure of identification, analysis, decision-making, communication and all other sorts of exercises in terms of overseeing stakeholders. They classify stakeholder management activities into two interrelated sub-groups of stakeholder analysis and stakeholder engagement. Research by Gido *et al.* (2011:246), and Harrington and McNellis (2016:449) extensively concur that stakeholder analysis includes the following three stages:

- Identifying stakeholders including their interests;
- Assessing stakeholders' influence; and
- Analysing the relationships of stakeholders.

Similar to the PMBOK Guide (PMI, 2013:120), Gido *et al.* (2011:252) demonstrate that powerful communication among stakeholders is vital to the procedures associated with stakeholder engagement. Hamilton (2014:184) concludes that the inability to engage partners at the beginning of a project influences antagonistically on the robustness and quality of decisions.

Stakeholder engagement is interconnected with stakeholder identification as well as stakeholder analysis processes, as certain stakeholder identification and analysis strategies require information that is determined from stakeholder engagement (Phillips, 2013:188). For instance, snowballing is a stakeholder engagement strategy utilised to include existing stakeholders in identifying other stakeholders and their inclinations (Harrington & McNellis, 2016:450). Stakeholder workshops can give significant information in respect of the connections between stakeholders. This information would then be used to assess these relationships and their effect on the project. The interrelationship between stakeholder identification, stakeholder engagement and stakeholder analysis shows the dynamic setup of the stakeholder management procedure (Jepson & Eskerod, 2016:336).

# 2.4.1 Project stakeholder identification

During a project's lifecycle, various people or groups with explicit interests will be identified. The difficulty is to distinguish these project stakeholders and assess their needs and desires in connection to the goals of the project to determine which needs and desires will be fulfilled, and recognise which stakeholders can have an effect on the decisions of the project (Mesly, 2017:381).

There are two perspectives with respect to the starting point for overseeing stakeholders. Nicholas (2016:620) suggests the starting point as distinguishing the suitable stakeholders followed by deciding the kind of their interest (classification). On the other hand, Perrin (2018:42) considers stakeholder classification as the starting point and then followed by identification advancing the idea that a job based

model ought to be lined up with the setting of the project. Project managers have the freedom to choose which criterion in distinguishing between stakeholders.

PMI (2013:102) separates between factors that have effect on the project and which cannot be influenced by the project stakeholders, and those components that can be influenced by the project stakeholders. Phillips (2013:270) reasons that project stakeholders can only with significant effort influence general environmental variables (legal, economic, political and technological factors), and within the project environment recognises the external stakeholders as well as the internal stakeholders as shown in Figure 2.2.

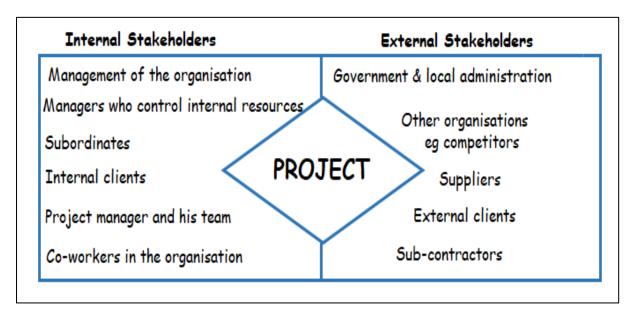


Figure 2.2: Internal and external stakeholders (Source: Stevens, 2012:621)

Internal stakeholders are a group of individuals known as the most significant, because they are part of the project strategy. They are officially bound with the organisation, which execute the task, for instance through a business contract, hence they are hands on from the onset of the project until its termination. External stakeholders are individuals or groups who are not officially individuals from the organisation, which execute the task but have interests in what the internal stakeholders are doing. In any case, they can have a major significance or they can be very vital for the success of the task. Due to its determination, the group requires constant supervision of the project supervisor (Stevens, 2012:390). Wysocki (2013:365) singles out the two most significant stakeholders of each venture who are the producers of the project and customers.

# 2.4.2 Stakeholder analysis

Achterkamp and Vos (2017:440) state that stakeholder analysis refers to the procedure whereby stakeholders are comprehended in terms of their power, role, authenticity, interest and capacity. Project managers should therefore be able 'to foresee issues and solutions in an undertaking. As such, stakeholder analysis ought to happen when the team still has the opportunity and time for direction. Binder (2017:565) says stakeholder analysis compels project managers to possess committed logical and instinctive abilities to recognise stakeholders and work with them to comprehend their desires and influence upon project success. He further contends that this idea helps a procedure that maximises project stakeholder positive input, and subsequently limits any potential impeding information and its influence on a project.

While researchers have contributed immensely on stakeholder analysis in project undertakings and conceptualisation, Bourne and Walker (2015:168) contend that partners are not normally overseen by project managers. However, what is overseen is the manner by which information is transmitted to stakeholders to empower them to take part in a venture. From a practical point of view, Cleland and Gareis (2016:123) note that since stakeholders can make or kill a task, their inclusion in the project is fundamental; yet the way to keeping them tuned in is to communicate continually. Gido *et al.* (2011:235) reason that for the management to be productive, it is significant for the project manager to comprehend the desires for all project stakeholders.

# 2.5 The influence of stakeholder management on the success of projects

Stakeholders certainly do have an influence on projects. According to Gido *et al.* (2011:259), stakeholders can have a negative effect on projects, which would show through the rise of issues and vulnerability of the project. This principally depends on their point of view and the perceived effects of the project on their interests. Jepson and Eskerod (2016:338) further highlight that these issues and vulnerability can lead to project failure, which is normally caused by provision of deficient resources, poor communication and changes to the extent of work. Nicholas (2016:632) says that project managers need to profit from the early stakeholder identification and management right at the beginning of a project and this will convert into great project

performance. Kerzner (2014:45) believes that project managers should be able to recognise critical stakeholders that can conversely affect a project. This will influence the management style; hence initiating being proactive versus being receptive and driven by crisis. In this instance, the project manager will proactively interface with the different systems trying to motivate stakeholders to follow objectives in a helpful way within the task team.

# 2.5.1 Stakeholders' involvement in project identification

Project stakeholders are people or enterprises effectively engaged with a project or whose interests might be influenced, because of project execution or completion of a project and might as well have influence over the project's outcome and objectives. Stakeholders benefit by having their desires comprehended and overseen through communication of suitable messages, as well as guaranteeing that the stakeholders comprehend what support they should give to the project. Stakeholders have a stake in the project's outcome. This could be a right, an interest or an ownership. Rights can be moral or legal possession in a particular situation (Zandhuis & Newton, 2014:176).

Authentic and valid stakeholders should be identified, and their capacity and influence comprehended to deal with their potential influence on projects (Ackermann & Eden, 2016:198). The identification of project stakeholders is part of the project planning procedure, and comprises lifting people and groups considered in the project or affected by it, appropriate techniques would then be able to be defined and implemented to expand a stakeholder's positive influence. This turns into a key risk issue for project directors. Inability to appropriate the association between the risk management and stakeholders, management has prompted innumerable project failures (Cleland & Gareis, 2016:233). Hamilton (2014:347) showed that stakeholder inclusion in electrical energy projects enabled projects to be driven in the right direction. All participants included in a project have an influence on the organisation and leads to the project's prosperity. Stakeholders naturally have objectives and interests which they protect. As such, this helps to promote better decisions and development of apparatuses for data training which is essential for the project execution. The fundamental focus on the activities needs to be on supporting the implementation of projects instead of developing decision-making systems.

Information should be accessible to key stakeholders to assist with trade-offs (Barber & Warne, 2015:166). Project management aptitudes are significant, because they provide the will, the vitality and direction from the time the undertaking is conceived to the time the task is ended. Limited aptitudes render the recovery programme undirected, with less energy (Lock, 2017:172).

# 2.5.2 Stakeholder involvement in project planning

Stakeholder involvement in project planning exercises includes identification of the project's goals, the detailing of the required project resources and their allotment, the determination of the strategies to be utilised to convey the project's finished product, reacting to significant occasions and assessing activities and results. The advantages of stakeholders in the planning process decrease distrust of the undertaking procedure or result. It also increases commitment to the objectives of the project and elevated credibility of the venture's outcome (Perrin, 2018:225).

In this way, a connection between stakeholders' involvement in project planning and their influence on the performance of the project was examined by Bourne and Walker (2015:540) in various projects. As indicated by their conclusion, stakeholder involvement has an effect on various project objectives, software project planning and resource designation decision and project execution. Mesly (2017:379) contends that stakeholder contribution in planning includes their inclusion in deciding how to plan, building up the scope statement, choosing the planning group, identifying expectations, making the work breakdown structure, recognising the activities required to finish those expectations, administering systems in their coherent sequence, assessing the activity resource requirements, developing schedules, risk planning, developing budgets and conventional endorsement to start work (Lock, 2017:298). Moreover, processes, for example, planning for scope management and for communication, identifying roles and duties, figuring out what to buy for the project and holding a commencement meeting are commonly advisable. The most widely recognised instruments or procedures utilised in the stakeholder involvement in the planning stage are called the Project Plan and Milestones Reviews. Stakeholders are fully involved in the planning stage. At this level, the project authorities set up the project work plan, spending plan and opening a bank account for channelling project funds (Nicholas, 2016:173).

# 2.5.3 Stakeholder involvement in project implementation

Management of projects is staggeringly challenging (Gido *et al.*, 2011:76), coming from the unordinary issues and risks of the variety that customary techniques cannot process (Harrington & McNellis, 2016:88). This vulnerability and complexity identify with the characterising qualities of projects, namely long span, tremendous investment and numerous uncontrollable new factors (Jepson & Eskerod, 2016:452).

The involvement of stakeholders in project implementation is a significant exercise in project management. The implementation of projects assists with organising individuals and different resources needed to carry out the project. According to Heeks (2013:212), stakeholder contribution in project implementation is required to change the planned goals and strategies of a project into efficient activities. This leads to designation of resources, productive use of these resources, and the proficient and viable conduct of particular assignments through well-coordinated resources and individuals to accomplish the objectives of the project.

# 2.5.4 Stakeholder involvement in project monitoring

It is vital for project managers to ensure that the project is on course and all the resources and budgetary allocations are adhered to. This impinges on the need to monitor the progress of the project continuously. However, projects may not progress as initially planned and may need a project path, time and budget alterations. It is therefore vital for the project managers to involve stakeholders in the monitoring process, as they need to be consulted on such issues. One approach to help fulfil stakeholder concerns and encourage openness is to include project-influenced stakeholders in observing the execution of mitigation measures or other social and ecological programmes. Such inclusion, and the flow of information produced through this procedure, can likewise urge local stakeholders to have a higher level of responsibility regarding their environment and welfare in connection to the project, and to feel engaged and empowered that they can plan something practical for addressing issues that influence their lives. Participatory monitoring will additionally fortify associations between the project and project stakeholders (Zandhuis & Newton, 2014:139).

# 2.6 The opinions of various role players in projects about the relationship between stakeholder management and project success

# 2.6.1 Stakeholder management in project success/failure

Research on project failures in the electrical energy industry in both developing and developed nations exhibits a comparable pattern. For example, Koester (2014:80) highlights the generally horrible performance and low efficiency of energy companies working inside South Africa.

Several research projects have been done in various industries in the field of assessing project success. However, a clear and unambiguous meaning of project success has not been acquired (Mesly, 2017:385). In the energy industry, specialists in the area of project success centre around two primary interrelated subjects; in particular project success criteria, as well as project success factors. Nicholas (2016:624) characterises project success criteria as the measure by which an undertaking will be decided as a success or failure. Project success factors are the elements that influence task execution. Customarily, the triple imperatives of time, cost and quality, depicted by PMI (2013:110) as "the iron triangle", are the criteria used to gauge the success of a project in the energy industry. However, Perrin (2018:48) contends that the necessities and fulfilment of the project stakeholders are similarly significant in project success criteria. Especially the long-term success of significant electrical energy projects is controlled by the project stakeholders' impression of the results accomplished, as opposed to the conveyance of the project as per the planned spending plan, timetable and details (Phillips, 2013:276). To add on, the study by Stevens (2012:395) perceives stakeholder satisfaction as the key project goal.

Wysocki (2013:371) demonstrates that success criteria can be ordered into two primary groups:

- Hard goals, which are quantifiable and tangible (for example criteria of time, cost, quality, environmental sustainability and, health and safety); and
- Soft goals, which are subjective, less quantifiable and intangible (for example, effective communication, satisfaction and connections among stakeholders).

The project success factor of stakeholder management influences both the soft and hard success criteria. For example, an examination by Young-Hoon (2015:137) exhibits that an absence of commitment and poor communication between project stakeholders are two of the most basic elements causing delays in electrical energy projects. Besides, an investigation of cost overruns in electrical energy projects concluded that communication and coordination between all project stakeholders can significantly diminish the time and in general venture costs (Young-Hoon, 2015:137). Given the increasing accentuation on stakeholder satisfaction as a vital project achievement basis and the potential for time and cost decreases, it is obvious that stakeholder management is viewed as a basic factor in the effective conveyance of electrical energy projects (Achterkamp & Vos, 2017:443).

# 2.6.2 The significance of stakeholders in project management success

According to Young-Hoon (2015:145), knowing what role stakeholders play in project management is significant. Most ventures include various stakeholders, and every one conceivably can accelerate, slow down or totally deter progress. Stakeholders may not be in the controlling position; however, they can be very helpful sponsors, advocates and specialists of change (Young-Hoon, 2015:145). Young-Hoon (2015:146) adds that it is essential to keep stakeholders happy. Frequently, the process of overseeing stakeholders is seen by project managers as a type of risk management. Keeping stakeholders happy and living up to their desires will decrease the danger of negative influences influencing the project.

Achterkamp and Vos (2017:446) highlight that good stakeholder management will not just clear the way of potential hindrances; it will likewise support quick progress and eventually improve the nature of the outcomes delivered. It is not just an instance of keeping stakeholders happy; it is additionally about utilising their expertise, time and influence to assist with achieving objectives. The capacity to comprehend the significance of stakeholders in a project is apparently what isolates the best project managers from the normal performers. Barber and Warne (2015:1044) highlight the significance of stakeholders and their management in a project as follows:

#### 2.6.2.1 Free resources

Taking advantage of the knowledge and abilities of engaged stakeholders can give project managers access to a large pool of extra resources at no additional expense.

# 2.6.2.2 Increased success perception

Good stakeholder management throughout an undertaking should guarantee that stakeholders view the project in a positive way, regardless of the result. If stakeholders' expectations are managed effectively over the project span, they are likely to see a project as a triumph than the individuals who have been disregarded.

# 2.6.2.3 Smooth handover process

It is simpler to hand over the expectations to somebody who has been completely mindful of the undertaking's developments. Stakeholders who have been engaged viably will progressively be prepared to take the reins when a project ends. Stakeholder management bolsters fruitful project conveyance from various perspectives (Binder, 2017:579). However, it is not easy for project managers to keep each stakeholder engaged and informed in every case, especially in a situation where stakeholders are in several organisations and various areas. In these circumstances, project managers may decide to carry out online stakeholder management, utilising the most recent tools to keep the more extensive working community engaged with the progress of the project (Perrin, 2018:62). As stated by Bourne and Walker (2015:665), collaboration software is a compelling device for supporting stakeholder management on a wide range of activities, especially when there are challenges in uniting every one of the members for conference calls or meetings. Cleland and Gareis (2016:134) believe the creation of online interactive platforms creates the feeling of a community, because every stakeholder can make a simple public profile that incorporates a photograph, information about their company and contact details. Project managers would then be able to utilise the instrument for overseeing stakeholder engagement in any way they need to stay updated with the latest on progress, looking for input and feedback, and taking advantage of their extra resource base, when required (Harrington & McNellis, 2016:452).

# 2.7 The influence of communication with stakeholders on the success of projects

# 2.7.1 Stakeholder communication in a project

Communication with stakeholders is critical in any project undertaking. It is critical for project managers to open several channels of communication to ensure they rely on messages and get critical feedback to keep the project on course. Stevens (2012:403) expresses that there has been a principal shift in development and business thinking, which aims to move from being capital-focused to people-centred. This shift is founded on the requirement for an extreme move in emphasis from master or external experts to stakeholder engagement. The requirement for participatory methodologies is embodied in project management within the setting of property development projects (Wysocki, 2013:381). "Appropriately mandated, engaged, and informed", project stakeholders can contribute to decisions that influence their needs in the project and have a basic influence in making a safely based feasible project conveyance (Young-Hoon, 2015:155). However, the key question is how stakeholders communicate in an undertaking to upgrade the accomplishment of a project. Table 2.1 gives a few answers regarding the kind of communication done by stakeholders and the influences that they have on the project.

Table 2.1 Stakeholders' communication in a project

Participation typology	Some elements
Passive communication	Being told what will occur or has just occurred. Top-down information shared is for external experts only.
Communication in	Answer questions presented by extractive analysts – utilising
information giving	overviews, and so forth. Individuals unable to influence.
Participation by	Consulted and external specialists listen to points of view.
consultation	Typically externally characterised problems and solutions.  Individuals not so much engaged with decision-making.  Participation is done by consultation.
Communication by	Resource provision, for example labour. Minimal incentive to
material incentives	take part after the end of the motivator.
Functional	Group formation to meet foreordained goals. Normally done

communication	after significant project decisions are made, accordingly, initially reliant on outsiders, however may become self-subordinate, and empowering. Participation as organisation.	
Interactive	Joint investigation to joint actions. Conceivable utilisation of	
communication	new local organisations or fortification of existing ones.  Empowering and enabling, so individuals have a stake in	
	keeping up structures.	
Self-mobilisation	Already enabled, take decisions free of external organisations. Might challenge existing unjust distribution of power and wealth. Participation as strengthening.	

Source: (Harrington & McNellis, 2016:458)

From Table 2.1, communication in the project environment fluctuates from passivity at one extreme, to self-mobilisation at the other. Generally, participation through communication needs to reinforce the capacity of individuals to acquire more obligations regarding the service that is provided to them. In any case, the idea of participation through communication is utilised to cover numerous activities, for example, budget setting; provision of labour, materials or money; inclusion in problem identification; project planning and execution; and partnership-related undertakings. Harrington and McNellis (2016:458) contend that this mirrors the numerous interests various individuals have regarding who participates, and the degree of participation engaged with the project.

A large number of stakeholders may need to participate in the development of a project. These stakeholders can have alternate points of view and interests. Important issues may include gender differences in terms of the manner in which men and women use assets; equity to enhance service conditions, and their relations with the powerful and wealthy; leaders at individual, authoritative and group levels; and their association with the rest of the populace (Harrington & McNellis, 2016:459). As Achterkamp and Vos (2017:449) contend, sharing through participation does not really mean participating in power. Participatory management styles give venture stakeholders a voice. For example, vocal master stakeholders may command discourses. Encounters have indicated that the more varied project stakeholders are, the more troublesome it is to include all individuals in the project's decision making.

# 2.7.2 Influence of communication in a project

According to Ackermann and Eden (2016:207), the success of a project relies upon effective communication. Improving communication maximises the achievement of a project and limits risks, which cause project failure. Furthermore, Binder (2017:270) states that if a project director can create effective communication with project stakeholders, this may mean more ventures for him/her and the project team. The influence of communication on the success of a project becomes evident through the different communication forums used by a project administrator for dispersal of crucial information. A legitimate communication plan should be set up from the beginning of a project (Cleland & Gareis, 2016:367).

Project plans speak to the definite reasoning and refined understanding of the different project stakeholders. Yet, unless plans are communicated to every concerned individual, they remain something simply on paper Kerzner (2014:161). Strong communication and cooperation techniques guarantee that all project staff moves in the direction of normal set-down objectives with aggregate effort guaranteeing project success (Nicholas, 2016:217). With everyone in agreement, reactions from the project team members at different phases will be founded on a similar set of references. This guarantees a reduction of assumptions and misunderstandings that could affect the progress of the project. Any changes made to the project plan need to be communicated appropriately to all stakeholders for the project to progress seamlessly (Stevens, 2012:344).

Status reports are another part of project communication that brings awareness to stakeholders concerned about the progress of the project. This encourages aggregate reasoning that can guarantee the accomplishment of the project. Status reports additionally help to concentrate on problem areas by making everybody mindful of them. The subsequent aggregate reasoning will at last lead to an agreement on answers for the problem areas (Phillips, 2013:120).

# 2.8 Improving stakeholder management practices

#### 2.8.1 Developing project stakeholder management

Jepson and Eskerod (2016:337) show that customary management works include planning, organising, leading, and controlling. Management of stakeholders usually consists of overseeing stakeholder techniques where the executives incorporate these customary focus areas. Kerzner (2014:42) identifies potential development areas for management of stakeholders:

- Plans and strategies
- Visions and goals
- Procedures and schedules
- Evaluations
- Tools and methodologies
- Theories

Koester (2014:184) and Lock (2017:313) refer to the following areas to improve the performance of a project: project vision, mission, and goals; project sponsorship; project planning; project particulars; conflict management; and resistance to change. The writers express that consistently communicating the vision with stakeholders guarantees the build-up of speed. Furthermore, having a suitable stakeholder management plan is fundamental for accomplishing consensus and blending conflicting voices, appropriate planning throughout the project.

## 2.8.2 Stakeholder engagement

Barber and Warne (2015:1053) emphasise the significance of stakeholder engagement in the stakeholder management process by incorporating the development of project stakeholder engagement techniques. Binder (2017:582) prescribes that the management of stakeholder engagement processes incorporates collaborating and communicating with stakeholders to live up to their needs and desires, tending to stakeholders' issues and developing stakeholder association in project activities throughout the life cycle of the project (Binder, 2017:582). This methodology limits stakeholder opposition and altogether improves the probability of project achievement (Binder, 2017:583). Bourne and Walker (2015:668) contend that engagement methodologies need to be designed to compare to the project stakeholders' desires and needs, as well as the stakeholders' interests in the undertaking and level of help for the project. Moreover, the unique engagement technique formulated for each project stakeholder needs to incorporate the strategy,

recurrence and substance of communication from the project team throughout the life cycle of the project (Bourne & Walker, 2015:668).

Previous investigations have recognised various techniques used for the stakeholder engagement process management. This procedure involves two concepts, namely holding and concession. Cleland and Gareis (2016:141) depict holding as sitting idle and observing existing projects, maintaining and strengthening the norm and guarding against process changes. The opposite of this system is concession, which is characterised as listening and respecting stakeholder requests (Jepson & Eskerod, 2016:340). Based on these investigations, Harrington and McNellis (2016:461) devise a list of four stakeholder engagement methodologies as follows:

- Holding: Either battling against addressing a stakeholder's problems or totally pulling back and disregarding the stakeholder;
- Defence: Doing only the minimum lawfully required to address a stakeholder 's issues;
- Compromise: Negotiating with stakeholders and attempting to get a compromising arrangement; and
- Concession: Implementing stakeholders' necessities or respecting stakeholders' requests.

Stakeholder engagement is associated with the stakeholder identification and analysis processes and numerous stakeholder engagement strategies can be utilised during the stakeholder identification and analysis processes. According to Gido *et al.* (2011:260), various stakeholder engagement strategies are used by specialists in the electrical energy industry to ensure that projects succeed.

## 2.8.3 Motivating project stakeholders

Hamilton's (2014:193) examination into organisational climate and project achievement uncovered that promoting an atmosphere that encouraged communication, individual contribution, and one which valued and regarded ideas yielded tremendous benefits. Hamilton (2014:193) expresses that "a supportive hierarchical environment is an important element in effective project results". Harrington and McNellis' (2016:464) examination into the relationship between the

project environments to project success upholds the conclusions of Kerzner (2014:48). Harrington and McNellis (2016:464) found that the success of a project relies upon the degree of interaction among the project team. This infers that general project stakeholder management and project success are improved through making both a project and an environment that supports project stakeholder needs. Project managers need to understand organisational and stakeholder elements and that powerful collaboration through systems administration and participation is a significant factor in deciding the accomplishment of a project. Lock (2017:321) sets forth the notion that stakeholders generally have plainly defined objectives, which serve to motivate through a feeling of achievement once the challenge of meeting those objectives is accomplished. These conclusions have a fundamental relation with the theory of motivation (Koester, 2014:110; Mesly, 2017:394). Nicholas (2016:636) portrays prior motivation theories as including Maslow's hierarchy of needs and Herzberg's two-factor theory, with contemporary theories of motivation, including McClelland's needs theory.

From the point of view of project stakeholder management, creating the correct degrees of motivation in the project environment can eventually prompt increased project performance and success. Stevens (2012:409) expresses that "motivation is the main thrust that supports people in their endeavours to arrive at project goals".

## 2.9 Conclusion

This chapter has discussed the key issues in project management as perceived by various scholars. These incorporated the general acknowledgment that project stakeholder management can influence the success of a project; subsequently, the significance of identifying and classifying stakeholders; the elements of project stakeholder management and the influence of project stakeholder on project strategy; and the connection between motivation levels and stakeholder management and project success. These constructs are investigated within the setting of the electrical energy industry. The purpose of the literature review was to identify the influence of stakeholder management and its contribution on project success. The key findings show that effective stakeholder management is a fundamental factor in the success of a project. In particular, stakeholder management has a vital role in the accomplishment of both hard (e.g. cost) and soft

project success criteria (e.g. stakeholder satisfaction). Secondly, adopting an appropriate stakeholder management strategy helps with delivering successful projects.

#### **CHAPTER 3: RESEARCH METHODOLOGY**

#### 3.1 Introduction

This chapter discusses the research methodology, followed by the study. Research methodology focuses on the collection and analysis of data from the primary research (Burns & Grove, 2015:119). The research methodology constitutes the research design, research strategy, sampling, research instruments, validity and reliability, data analysis, pilot study and ethical considerations.

## 3.2 Research design

The research design is a method of collecting data that involves grouping together many components of research in a systematic manner with the purpose of correctly addressing the research problem (Butler, 2014:129). According to Cader (2016:123), examples of research design include causal-comparative, explanatory, correlational, descriptive and exploratory research.

- Causal comparative design this design is control based. The researcher introduces the cause or variable and records the change; that is, the researcher starts with the cause and waits to observe effects (Kumar, 2014).
- Descriptive research Kowalczyk (2013:1) defines it as research to discover information and existing conditions without analysing relationships among variables.
- Explanatory research Phillips (2013) defines explanatory research as one that tries to explain cause and effect. It focuses on a single area and seeks out details that explain said phenomenon.
- Exploratory research Kumar (2014) defines exploratory research as research done with the purposes of gathering descriptive information and answering question like why a certain phenomenon exists. Exploratory research is unrestricted, interactive and open minded in nature.

This research adopted an exploratory research design. This is because the aim of the study is to explore how stakeholder management has affected project success. Thus, exploratory design was more ideal considering that the study is the first of its kind for Eskom Northern Cape NCOU projects.

## 3.3 Research philosophy

Research philosophy is the worldview that the researcher has in order to understand the nature of the problem philosophical (De Vos, Fouche & Deport, 2011:22). There are two main philosophies that can be adopted when undertaking research.

The first is positivist philosophy which advocates for measurements, facts and use of statistics in understanding the world (De Vos *et al.*, 2011:22). This philosophy supports quantitative approach to research, which entails the use of quantitative data. This makes the approach to be viewed as reliable. The second philosophy is phenomenology based on the use of social constructs, such as human opinions and attitudes as well as behaviour in understanding the surrounding world (Gray, 2014:53). This philosophy supports the qualitative research approach. It is based on use of non-quantitative data, although it is considered as subjective.

The study adopted a phenomenological philosophy and qualitative approach. Qualitative research looks deeper at the research problem and has a more profound analysis of the problem as it derives understanding from the set of experiences, views and beliefs of the participants (Gray, 2014:53). The qualitative approach is ideal, as the study is centred on the various views of the stakeholders regarding the level of stakeholder engagement and how these have affected project success. Thus, the qualitative approach was employed to explore the case for Eskom Northern Cape NCOU projects.

#### 3.4 Research strategy

The research strategy should agree with the research approach (Coppersmith, 2013:60). As mentioned previously, the qualitative approach, based on phenomenological philosophy was employed. The research strategies consistent with qualitative approach include case study, ethnography and grounded theory (Gray, 2014:60). The current study employed the case study approach, as it seeks to narrow down to Northern Cape operating units (NCOU) projects. The justification is that a case study ensures full investigation by focusing on specific cases (Gray, 2014:60).

## 3.5 Sampling design

# 3.5.1 Target population

The target population can be defined as the total number of people in a research process where vital information will be gathered (Butler, 2014:76). The target population was 107 Eskom employees who work within the assets creation department, which is responsible for handling Eskom projects on a daily basis in the Northern Cape.

## 3.5.2 Sampling

Sampling strategy is a technique that breaks down the target population into a smaller number that is easy to manage (Burns & Grove, 2015:123). There are two types of sampling, namely probability and non-probability sampling.

According to Coppersmith (2013:62), probability sampling gives everyone in the target population the same opportunities of being selected to participate in the research study. Examples of probability sampling include simple random, systematic, cluster and stratified random sampling.

- Simple random random sampling represents a haphazard selection of participants to give them equal chances of selection (Punch, 2013:30).
- Systematic systematic techniques follow a pattern in choosing participants, for instance, the second participant from last selected (Punch, 2013:30).
- Cluster cluster sampling involves formation of categories that result in an unbiased representation of an entire population (Saunders, Lewis & Thornhill, 2016:88).
- Stratified stratified sampling entails the formation of subsets representing common target population attributes (Saunders et al., 2016:88).

Non-probability sampling is based on selecting participants based on certain criteria that do not result in fair representation (Punch, 2013:30). Techniques under non-probability are judgemental, quota and convenience.

 Judgemental sampling is based on use of researcher judgement (Punch, 2013:30).

- Convenience the techniques seeks to choose closer participants and those that are available (Saunders *et al.*, 2016:88).
- Quota the technique is applied where the target population is big and the research seeks to ensure representative sample (Punch, 2013:30).

The sample comprises 16 employees selected through judgemental sampling. The rational was to include members based on years of experience.

# 3.5.3 Recruitment of participants

The sample comprises eight participants with 6 to 10 years' experience; three with more than 10 years' experience; and five with 1 to 5 years' experience. The researcher targeted staff from the assets creation department, which is responsible for handling Eskom projects in the Northern Cape on a daily basis. The researcher received permission from the head of the department, following approval by authorities. The number of years of members was requested from Eskom's assets creation department to enable the use of judgemental sampling. In addition, emails of selected members were obtained from the selected members for planning and updating purposes. These were used to contact the participants, ask for their consent and made appointments about where and when the interviews would be conducted.

#### 3.6 Data collection

The proposed study used semi-structured interviews to collect data. Semi-structured interviews involve discussions steered by the researcher based on a chosen topic (Dawson, 2015:62). The method leaves room for other questions that could emerge. The reason for selecting semi-structured interviews is that they encourage the collection of data about the views and experiences of the stakeholders involved with Eskom.

The semi-structured interviews were administered by the researcher through Microsoft teams and telephonically. This has been necessitated so as to prevent the risk of COVID-19 by ensuring social distancing and hygiene considerations.

## 3.7 Data analysis

Data analysis is an approach that is used to present, interpret and analyse data obtained from the primary research (Cader, 2016:117). The study used thematic data analysis. According to Dawson (2015:63), thematic data analysis has the ability to interpret and analyse variables involved in the research. It focuses on classifying data based on themes. The rationale for the use of thematic analysis is that it helps to establish themes that enable the researcher to analyse findings in a logical way that answers research questions. The findings were presented through narrations.

#### 3.8 Trustworthiness

The study observed credibility, confirmability, transferability and dependability.

- Credibility the study investigated practical problems related to Eskom NCOU projects, which warrants credibility.
- Transferability this relates to the use of findings for similar situations (Zikmund, 2018:55). The use of structured approach will lead to transferability.
- Dependability in the view of Fowler (2012:96), dependability is study reliability. The observation of ethics and professionalism made the study dependable.
- Confirmability according to Zikmund (2018:55), confirmability is when the study is corroborated by past studies. A review of past studies will ensure research confirmability.

#### 3.9 Ethical considerations

The study considered ethical principles in the research process. The ethical principles include no harm or injury to the research participants, permission, consent, confidentiality. In addition to below principles, ethical clearance was obtained from the University (Ethical clearance number: UFS-HSD 2020/0627/1307).

## 3.9.1 No harm or injury

Harm or injury is when a research participant is hurt either emotionally and/or physically as a consequence of participating in the study (Cader, 2016:115). No harm or injury was experienced relating to this study. The study did not use any

offensive language that is racial, tribal and gender sensitive, to mitigate any emotional harm. All respondents were treated equally with respect and dignity and their wishes were respected. No physical contact was possible due to the COVID-19 pandemic guidelines, which limit movement and encourage social distancing.

#### 3.9.2 Permission

A written letter was submitted to Eskom to seek permission for the research study. Correspondence with the management was done via email and a signed copy was produced as evidence that permission has been granted.

#### 3.9.3 Informed consent

Informed consent is a way in which participants are not coerced or forced to participate in the research process (Burns & Grove, 2015:62). The study gave participants consent letters to sign so that they could confirm participation out of their own free will. The consent letters informed the participants of the research problem, research questions as well as how the research findings were used and published. Participants were informed that a detailed report of the findings would be published through the University and will be used for academic purposes. Their identity will remain confidential as no names will be published.

#### 3.9.4 Confidentiality

Burns and Grove (2015:62) advocate the privacy of the research inputs and participants. The records of all the participants will be locked in safe place to ensure their confidentiality in line with the guides outlined by the University. The identity of participants was not requested in order to maintain privacy and they will remain anonymous.

#### 3.9.5 Conflict of interest

The researcher is an employee of Eskom and conducted a research in the same company. Some valuable work time was taken from the company during the research. Senior management was notified on the days the research was undertaken. Discussions were limited to the project and did not go beyond the scope

of the project. The interview guide was used to ensure the discussions remained on track.

#### 3.10 Limitations

The focus of the study was to investigate the influence of stakeholder management on project success in Eskom NCOU projects. The study only involved 16 Eskom employees who work with project management. However, interviews were used to collect data.

## 3.12 Conclusion

The chapter discussed the research methodology, followed by the study. The sections included in the chapter were research design, research philosophy, research strategy and sampling design. The chapter further discusses data collection instrument, data analysis procedure, ensuring trustworthiness and ethical considerations. The next chapter will present the results, discussion and interpretation of the findings.

#### **CHAPTER 4: DATA PRESENTATION AND ANALYSIS**

#### 4.1 Introduction

This chapter will focus on the presentation and interpretation of the research findings. Sixteen participants were interviewed and raw data were collected for the purposes of this research. The findings from the participants were thematically analysed to ensure similar responses were treated accordingly. This processed data were presented using charts, tables and graphs to illustrate meaning and relationships. Explanations were given to ensure that readers understood the research findings.

## 4.2 Participants' demographic features

The researcher obtained the demographic data from the participants. This was important for the researcher to have a basic understanding of the participants.

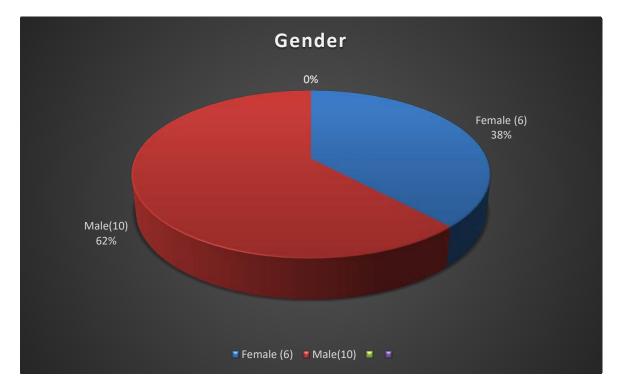
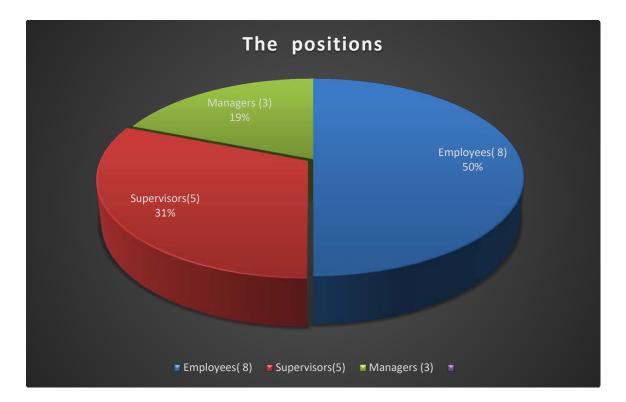


Figure 4.1 Gender

Figure 4.1 shows the gender distribution of the participants. Ten participants were males and six were women. This represented 62% for males and 38% for females.

## 4.2.1 Positions in the work environment



**Figure 4.2 Positions** 

They were asked about their current positions at work. Figure 4.2 summarises the findings. 50% (eight) of the participants were general workers, 31% (five) were supervisors, whilst 19% (three) were managers. This, tallies with normal work theory where few people occupy top positions.

# 4.2.2 Working experience

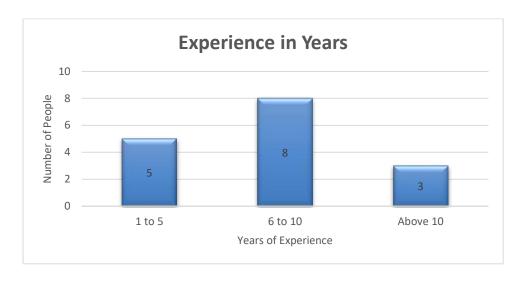


Figure 4.3 Experience of employees

Figure 4.3 above summarises the working experience of the participants in the study. These experiences consist of the number of years they were working in projects directly involving Eskom. Five of the respondents had fewer than five years' experience; three had between more than ten years' experience; and the majority had been between 6 to 10 years in the service of Eskom. The years of experience of the participants suggest that they had valuable knowledge that could be of value in the study, as they were all directly involved in Eskom projects.

#### 4.2.3 Educational level

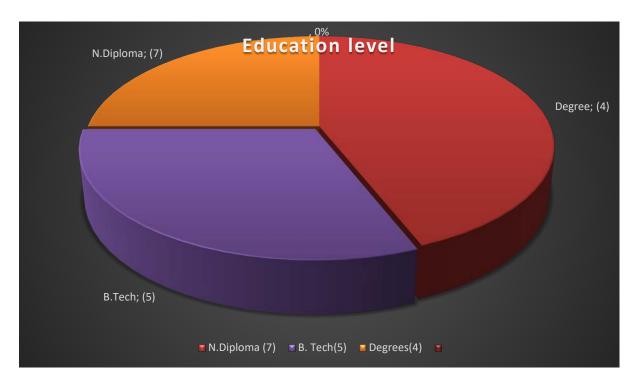


Figure 4.4 Educational levels of employees

The participants were asked about their levels of education. Figure 4.4 represents the findings. The majority of the participants (seven) were holders of a National Diploma from recognised institutions. Five participants were holders of a Bachelor of Technology degree and the remaining four were holders of Bachelor's degrees. In this respect, all the participants have the requisite education and qualifications suitable for their jobs.

# 4.3 Stakeholder management and project success

This section will explore the responses from the participants in an effort to uncover the role played by the stakeholder management to ensure that the project succeeds. The responses were grouped under various themes that were identified by the researcher. Table 4.1 below shows the findings of the research.

Table 4.1 Theme 1

Theme	Category	Code
The various role players	Stakeholder management and project success	Good relationship with project members
		Project success
	Roles played by stakeholders in project management	Project identification
		Project planning
		Project implementation
	Importance of various role players on stakeholder management and project success	Risk management
		Sponsors

# 4.3.1 Understanding of the term *stakeholder management* as well as project success?

The participants were asked to define some of the key terms in this research. The general consensus amongst the respondents was that good stakeholder management meant the existence of a good relationship with project members.

## 4.3.1.1 Good relationship with project stakeholders

The research also intended to establish existing relationships with stakeholders. The participants received codes from Participant 1 to Participant 16 for identification purposes. They were also supposed to remain anonymous in line with the ethics of the research. Few key responses from some of the participants on stakeholder management are mentioned below:

**Participant 2:** "Stakeholder management is the process of maintaining good relationships with the people who have most impact on your work. Communicating with each one in the right way can play a vital part in keeping them "on board."

**Participant 4:** supported the sentiments by participant 2 by responding that: "This stakeholder management concerns how to communicate effectively with stakeholders."

**Participant 5 indicated:** "Although stakeholder management provides a linkage between ethics and management, its definition is independent of these other terms, and so the term stakeholder."

**Participant 7 argued:** "The stakeholder management comprises four steps: Identify, recognize and acknowledge stakeholder; with the intention of establishing good relationship."

The assertions made by the participants align with the literature review. Hamilton (2014:178) proposes that stakeholder management manages the relationships between partners within project undertakings. This relationship must be created and organised in order to accomplish a fruitful result. According to Hamilton (2014:179), stakeholder management is just simple persuasion of stakeholders by project managers. Harrington and McNellis (2016:430) agree with Jepson and Eskerod (2016:330) on the fact that the stakeholders comprised more than one person. These people dealing with the stakeholders' relationships will decide whether an undertaking is a failure or success.

#### 4.3.1.2 Project success

The researcher also aimed to find out the gestation of the concept of project success. Key responses are summarised below:

**Participant 4:** "Stakeholder management is a critical component to the successful delivery of any project, programme or activity. A stakeholder is any individual, group or organization that can affect, be affected by, or perceive itself to be affected by a programme."

**Participant 7 reiterated:** "Stakeholder management is one of the most important project management tools; although there has been some success in areas such as manufacturing industry, the construction industry. Stakeholder management ensures that the project becomes a success."

**Participant 9:** "The stakeholder management plan is a subsidiary plan of the project management plan. Its purpose is to define the requirements, processes, and techniques for engaging stakeholders based on an analysis of their needs, interests, and abilities to impact the project."

The responses from the three participants agree with the literature review. Lock (2017:301) says that project success entails the fulfilment of stakeholder needs estimated by the achievement criteria as determined through the project management. Koester (2014:77) proposes that a project is a success if the final product gives value to the customer and improves the livelihood of the consumers. Rodolfo (2018:8) postulates that it is important for success criteria to be defined correctly at the start of the project; this will enable an object evaluation at project completion.

# 4.3.2 Roles played by stakeholders in project management

Participants were asked to highlight the roles that stakeholders play in project management. They exhibited an informed opinion in line with the current literature.

# 4.3.2.1 Project identification

Four participants asserted the following verbatim. The main idea which emerged was project identification. Their responses were as follows;

**Participant 1 asserted:** "Stakeholders are individuals, groups, organizations who can affect or be affected by a project. It is crucial to identify who are the important stakeholders when you start your project."

Participant 12 responded: "Stakeholders should be identified and managed in order to satisfy their requirements in a project. Projects that come to a successful end most often achieved with fulfilling the requirements of stakeholder."

Participant 16 argued by saying: "It is critical to identify the stakeholders in the early phases of a project and manage them throughout the entire project's life cycle. Stakeholder identification is a perpetual process because as the project progresses new stakeholders arise and some of the stakeholders may disappear."

Considering the above statements it is crucial that stakeholders of critical nature are identified in the initial stages. However, it has been made clear that authentic and valid stakeholders should be identified and their capacity and influence comprehended to deal with their potential influence on projects (Ackermann & Eden, 2016:198). The identification of project stakeholders is part of the project planning procedure. The procedure comprises lifting people and groups considered in the project or affected by it. The appropriate techniques would then be able to be defined and implemented to expand a stakeholder's positive influence.

# 4.3.2.2 Project planning

The participants corroborated that in project management, the key stakeholders should be involved in planning. Their sentiments are highlighted below:

Participant 9 was of the view that: "Stakeholder involvement in the project planning process should include a variety of actors with different roles and responsibilities at the planning phase of the project life cycle. Failure to adequately plan greatly reduces the project's chances of successfully accomplishing its goals."

**Participant 11 said:** "Project planning largely entails determining how to plan, developing the scope statement; selecting the planning team; identifying deliverables and creating the work breakdown structure. So, to achieve greater success projects should be involved every step of the way."

**Participant 13 added:** "The planning process requires full participation of stakeholders includes scope definition, the redefinition of project objectives and developing the course of action required to attain those objectives."

The participants' sentiments boiled down to project planning, which is crucial for the success of a project. Stakeholder involvement in project planning exercises includes identification of the project's goals, detailing of the required project resources, and their allotment. The stakeholders also contribute to the determination of the strategies to be utilised and take part in the assessment of the finished product,

activities and results. The advantage of including stakeholders in the planning process is that it removes distrust, leading to smoother project flow due to increased consensus. It also increases commitment to the objectives of the project and elevated credibility of the venture's outcome (Perrin, 2018:225).

# 4.3.2.3 Project implementation

Four participants believed that stakeholders should be involved in project implementation. In highlighting and dissecting their views, it was realised that the success of a project is hinged on its implementation. The participants had the following to say:

**Participant 2:** "The implementation stage, in many ways, is considered the most significantly important phase in the project life cycle where all the project activities are materialized. Thus, understanding the intricacy of the stakeholders' impacts to the project implementation is critical to facilitate the project success."

**Participant 4**: "When the stakeholders are insufficiently engaged, the problem of getting them to support the project and implementation is even more difficult, and the likelihood of project success diminishes quickly."

**Participant 5:** "Stakeholder involvement facilitates implementation and makes the community members feel that they are part of the project and own the process. Stakeholder participation is a prerequisite to a perfect delivery of project outcomes since a well-management community."

**Participant 7:** "It is essential to have all the required legal documents prior to the implementation phase. You do not wait to get into the implementation phase and then you think about the legal documents required to implement it. Stakeholders can guide on all documents needed."

All the above participants pointed out that the involvement of stakeholders in project implementation is a significant exercise in project management. The involvement of stakeholders in project implementation assists with organising the different resources needed to carry out the project. Heeks (2013:212) says stakeholder contribution in project implementation is required to change the planned goals and strategies of a

project into efficient activities. This leads to designation of resources, productive use of these resources, and the proficient and viable conduct of particular assignments through well-coordinated resources and individuals to accomplish the objectives of the project.

# 4.3.2.4 Project monitoring

Three of the participants argued that the role of stakeholder involvement in project monitoring is generally neglected. They explained that delinquent behaviour may creep into the project team if it is not monitored. Their views are as expunged below:

**Participant 3:** "It is important for project managers to ensure that the project is on course and all the resources and budgetary allocations are being adhered to. Stake holders maybe romped in to assist."

**Participant 8:** "Projects may not develop as originally premeditated and may need project path, time and budgets alterations. To get the project on track, stakeholders maybe approached."

**Participant 11:** "The involvement of stakeholders in appropriate monitoring actions and evaluation exercises furthers the objective of promoting participatory development. Stakeholders have the right and the responsibility to know what is happening in the programme or project, which aspects need corrective action, what the results are, and which lessons can be learnt."

Dissecting the views of the participants, projects may not progress as initially planned and may need project paths, time and budget alterations. It is therefore vital for the project managers to involve stakeholders in the monitoring process, as they need to be consulted on such issues. One approach to help stakeholders to resolve their concerns and encourage openness is to include project-influenced stakeholders in observing the execution of mitigation measures or other social and ecological programmes. Participatory monitoring will additionally fortify associations between the project and project stakeholders (Zandhuis & Newton, 2014:139).

#### 4.3.3 Importance of various roles played by stakeholders

This section gives responses pertaining to a question on the importance of roles played by stakeholders.

# 4.3.3.1 Risk management

The major theme that emerged from the important roles played by stakeholders was risk management. Three participants corroborated that the involvement of the various stakeholders reduces risks. The following answers were assumed by the contributors.

**Participant 2:** "The benefit of involving the stakeholders is that the risk professional can share the value proposition of the organisation with people who are equally interested in the future of the organisation although in some cases for different reason."

**Participant 3:** "Risks are better managed when all who form the value chain are on the same page with key decision makers. The benefits of involving stakeholders include multiple perspectives to the causes related to risks."

**Participant 7:** "Effective risk controls, treatment strategies and active monitoring due to the perspectives mentioned can be achieved when all stakeholders are allowed in the project. Sharing of responsibilities towards controls and monitoring by all who are involved."

Participants agreed that involving stakeholders in projects helps to mitigate risk factors. Young-Hoon (2015:146) adds that it is essential to keep stakeholders happy. Frequently, the process of overseeing stakeholders is seen by project managers as a type of risk management. Keeping stakeholders happy and living up to their desires will decrease the danger of negative influences influencing the project.

## 4.3.3.2 Sponsors of the projects

Participants agreed that projects need to be sponsored. As such, three of the 16 participants mentioned that projects need sponsors. Their views are stated below.

**Participant 1:** "Successful executive sponsors have detailed knowledge of a project and understand how it aligns to the overall strategy of the business."

**Participant 4:** "If contract resources are required, the sponsor will review and approve procurement strategies and plans. The sponsor will assist in selecting the most appropriate vendors and will negotiate contracts with the selected vendors."

**Participant 6:** "Depending on the authority level of the project manager, the sponsor may be involved in, or oversee another individual responsible for, authorising contractor work and reviewing all contractor invoices, including authorising payment for the work."

By analysing the views of the participants it can be deduced that sponsors are not merely providers of funds, but also have a participating role. Sponsors can have indepth information about projects helpful for their success. Most ventures include various stakeholders, and every one can conceivably accelerate, slow down or totally deter progress. Stakeholders may not be in the controlling position; however, they can be helpful sponsors, advocates and specialists of change (Young-Hoon, 2015:145).

# 4.4 Influence of stakeholder management on project success at Eskom NCOU

Table 4.2 Theme 2

Theme	Category	Code
Influence of stakeholder management	Influence of stakeholder management on project success	Fosters good communication
Influence of stakeholder management		Project success
	Effects on the project team	Reduces conflicts
		Motivation improvement
	The impact on project deliverables	Project quality

# 4.4.1 What is the influence of stakeholder management on project success?

The research sought information on the influence of stakeholder management on project success.

## 4.4.1.1. Fosters good communication

Analysing the verbatim of the participants, the major theme that emerged, was fostering good communication. Some statements of the participants on the issue are highlighted below:

**Participant 9**: "For proper stakeholder management, identifying the motivation behind a stakeholder's interest in the project gives you more nuanced information to be able to influence more effectively through communication."

Participant 11: "If any stakeholder does not communicate well with his team, then a good stakeholder management strategy will help to decrease it."

**Participant 14:** "The key to effective project stakeholder management is to establish alliances with people who exercise the most influence within their spheres of responsibilities. These alliances will foster effective communication and sharing of ideas."

The participants emphasised that communication with stakeholders is critical in any project undertaking. It is critical for project managers to open several channels of communication to ensure they rely on messages and get the critical feedback to keep the project on course. Stevens (2012:403) expresses that there has been a significant shift in development and business thinking, which aims to move from being capital-focused to people-centred.

## 4.4.1.2. Project success

Four participants believed stakeholder management results in project success. This was underpinned by the belief that having all stakeholders on one mission is crucial.

**Participant 10 posited:** "High-influence and high-interest stakeholders are key stakeholders who play a key role and have a high impact on the success of a project."

Participant 13 had this to say: "The combination of managing the effects of conflicting instructions, incomplete working drawings, variations and inflation

as well as the not so friendly disposition of the contractor handling can bring the project to success."

Participant 14 reiterated: "Project sponsors, who sometimes double as the client, adopt different methods to secure the services of the project execution team, primarily the consultants. The client may adopt the concept of using an independent project manager (not one of the consultants engaged in the project) or use the lead consultant (among other consultants) to double as the project manager, to coordinate the project execution exercise."

**Participant 15:** "The quality of the relationship between critical stakeholders (client, consultant and contractor), in a typical construction project, influences the progress on the project. If this relationship is impaired, it may lead to disputes of varied degrees; which usually culminate in litigation."

The sentiments above are in line with the literature findings. Rodolfo (2018:8) defines a successful project as one that meets the defined objectives within its budget frames and scheduled times. However, project success for development projects can be seen as going beyond meeting budgets and timeframes; they deliver benefits and meet the expectations of the stakeholders, beneficiaries and the donors.

## 4.4.2 Effects of stakeholder management on the project team

The first three participants believed that stakeholder management helps to resolve conflicts between team members.

# 4.4.2.1. Reduces conflicts among project members

The main assertions of the participants support the main theme and are highlighted below:

**Participant 4:** "The objective of stakeholders is to strive to improve on the relationship between the stakeholders through effective communication, cordial information sharing and timely response to enquiries. When this is achieved, there would be no conflicts are teamwork."

**Participant 12:** "The effective management of relationships in a project can reduce conflicts within the team and redirect focus on achieving the goals of the research."

**Participant 14:** "Stakeholder management can reconcile the differing stakeholder requirements and pass clear direction to the project management."

An analysis of participants' opinions shows that if a stakeholder relationship is fostered, conflicts will be reduced. Hamilton (2014:178) proposes that stakeholder management manages the relationships between partners within project undertakings. This relationship must be created and organised in order to accomplish a fruitful result. Barber and Warne (2015:104) affirm that the identification and analysing of the desires and objectives of a stakeholder helps to decide the level of influence that they have on the project. In this regard, project managers should employ techniques that assess the level of the influence a stakeholder could have on an undertaking, instead of the effect of the project on the stakeholder or the stakeholders' goals.

# 4.4.2.2 Motivation improvement

The respondents believed that when there is a clear goal and the desires of the stakeholders are identified, they will be greatly motivated to ensure the project is a success. Three participants had the following to say.

**Participant 3:** "Stakeholders with a high need for power are motivated by the ability to exercise control and influence within the environment they work. They think about taking strong and forceful action that affects others and will often give help, advice, or support (especially when it's unsolicited)."

**Participant 5:** "A well-managed stakeholders ensures balance which motivates people. Power motivated people continually develop strategies to control people, get their opinion accepted, and shape situations."

Participant 6: "Stakeholder management creates people who think about developing and maintaining relationships, being with others to enjoy their

company, being separated from others, and generally view group working situations as social activities."

The sentiments above infer that general project stakeholder management and project success are improved by creating a project and an environment that supports project stakeholder needs. Project managers need to understand organisational and stakeholder elements, as well as that powerful collaboration through systems administration and participation is a significant factor in deciding the accomplishment of a project and at the same time improving motivation. Lock (2017:321) sets forth the notion that stakeholders generally have plainly defined objectives, which serve to motivate through a feeling of achievement once the challenge of meeting those objectives is accomplished.

## 4.4.3 Impact of stakeholder management on project deliverables

Participants were asked about the impact of stakeholder management on the project deliverables. The findings show that it ensures that the project has a quality outcome, namely that the quality levels of the product to be delivered to the clients will meet the expectation of the clients.

## 4.4.3.1 Project quality

The participants related to the improvement of quality owing to involvement of critical stakeholders. Some of the participants' opinions are highlighted below:

**Participant 3:** "The project quality process is about obtaining overall confidence that a product or service will be acceptable to your client. This can be enhanced by having a motivated stakeholder who knows their goals."

**Participant 6:** "Project objectives are the goals that the project is trying to accomplish rather than the products that the project is trying to produce."

**Participant 8:** "Stakeholder management deals with the relationships between stakeholders within projects. This relationship must be developed and structured so as to achieve a successful quality outcome."

Examining the sentiments of the participants shows that quality is a measure of success on project deliverables. Nicholas (2016:624) characterises project success

criteria as the measure by which an undertaking will be decided as a success or failure. Project success factors are the elements that influence task execution. Customarily, the triple imperatives of time, cost and quality, depicted by PMI (2013:110) as "the iron triangle", are the criteria used to gauge the success of a project in the energy industry.

# 4.5 Stakeholder management strategies for Eskom, Northern Cape

Table 4.3 Theme 3

Theme	Category	Code
Strategies to Eskom,	Recommended	Developing project stakeholder
Northern Cape	strategies	management
		Stakeholder engagement
		Motivating project stakeholders

## 4.5.1 Recommended stakeholder management strategies

The participants were asked to give recommendations regarding more robust stakeholder management. The ideas given resonate well with literature.

## 4.5.1.1 Developing project stakeholder management plan

**Participant 13:** "But often the secret to project success is in the continuous improvement of the stakeholder consultation process rather than in rigid adherence to a plan. This is should be the plan."

**Participant 15:** "As an initial step in stakeholder analysis, classifying the stakeholders into defined groups can assist in the next, more detailed steps. Stakeholders can be classified into supporting or opposed, for example a project investor is a supporter and an environmental NGO is opposed."

**Participant 16:** "Stakeholder management plan should the blueprint upon which all plans of management should carry."

Participants agreed to the need of a concise plan, which would have been drawn in agreement with the stakeholders. Without a plan of managing employees will be futile. Kerzner (2014:42) identified potential development areas for management of stakeholders, namely plans and strategies, visions and goals, procedures and

schedules, evaluations, tools and methodologies. According to Koester (2014:84) and Lock (2017:313), in order to improve the performance of a project, managers need to focus on the following aspects: project vision, mission, and goals; project sponsorship; project planning; project particulars; conflict management; and resistance to change. The authors express that consistently communicating the vision with stakeholders guarantees the build-up of speed. Furthermore, having a suitable stakeholder management plan is fundamental for accomplishing consensus and blending conflicting voices, appropriate planning throughout the project.

# 4.5.1.2 Stakeholder engagement

**Participant 3:** "The management of stakeholder engagement processes incorporates collaborating and communicating with stakeholders to live up to their needs and desires, tending to stakeholders' issues and developing stakeholder association."

**Participant 5**: "A little bit of empathy costs nothing, but accomplishes great strides in addressing project opposition. Negotiating with stakeholders and attempting to get a compromising arrangement is important."

**Participant 6:** "Stakeholders understand that someone wants to win them over, and that the organization probably has a plan to do just that. Believe me, there are many, projects out there where organisations have engaged stakeholders with an aggressive, empathy-free attitude attempting to strong arm the stakeholder into project approval."

The findings align with Bourne and Walker (2015:668), who argue that engagement methodologies need to be designed to accommodate the project stakeholders' desires and needs. They also have to meet stakeholders' interests in the undertaking of the project. Moreover, the unique engagement technique formulated for each project stakeholder needs to incorporate the strategy, recurrence and substance of communication from the project team throughout the life cycle of the project (Bourne & Walker, 2015:668). Stakeholder engagement is associated with the stakeholder identification and analysis processes. Numerous stakeholder engagement strategies can be utilised during the stakeholder identification and analysis processes.

According to Gido *et al.* (2011:260), various stakeholder engagement strategies are used by specialists in the electrical energy industry to ensure that projects succeed.

# 4.5.1.3 Motivating project stakeholders

**Participant 3:** "Stakeholders with a high need for power are motivated by the ability to exercise control and influence within the environment they work. They think about taking strong and forceful action that affects others and will often give help, advice, or support (especially when it's unsolicited)."

**Participant 5:** "More than anything else, people want to be heard. It's amazing what type of transformation takes place when a stakeholder is allowed to voice their concerns and realizes that it's being heard."

**Participant 6:** "The transformation occurs when they truly believe that the project management team has considered their concerns and tried very hard to implement them. And this belief is not accomplished by the development and rigid implementation of a plan."

From the point of view of participants, creating the correct degrees of motivation in the project environment can eventually prompt increased project performance and success. Project managers need to understand organisational and stakeholder elements and that powerful collaboration through systems administration and participation is a significant factor in deciding the accomplishment of a project. Lock (2017:321) sets forth the notion that stakeholders generally have plainly defined objectives, which serve to motivate through a feeling of achievement once the challenge of meeting those objectives is accomplished.

#### 4.5 Conclusion

The chapter presented the findings from the interviews with the participants. Demographic characteristics applicable to the research were discussed. The information obtained from the research was qualitatively analysed through a thematic analysis. The participants pointed out that the use of stakeholder management is important, as this fosters relationships and communication crucial for driving projects. The participants also reiterated that stakeholder management improves motivation and decreases conflicts. Finally, strategies that can be used to ensure

effective stakeholder management entail having a plan, engaging the stakeholders and motivating them. The chapter that follows will summarise the research and appropriate recommendations will be identified.

#### **CHAPTER 5: CONCLUSION AND RECOMMENDATIONS**

#### 5.1 Introduction

This study extensively reported the findings and addressed critical issues in line with the research questions. This chapter gives a summary, conclusion and recommendations on the management of stakeholder in relationship to project performance in the operating units of the Northern Cape (NCOU).

# 5.2 Summary of research findings

The researcher conducted interviews and administered questionnaires to 16 participants. The findings were presented in the previous chapters. A review of related literature was also conducted so as to get the scope and guide for the study. The following findings were gathered:

- All the participants in the study had considerable experience and had reasonable working experience in the projects. Furthermore, the participants working at various levels of several projects, ranging from general workers, supervisors to managers. They were considered knowledgeable enough to contribute to the body of knowledge.
- As mentioned previously, thematic analysis was used in this study to collate data from the participants. Similar responses were analysed under one theme to ensure uniformity.
- The research determined that stakeholders have several roles that they can
  play in a project life cycle. These include project identification, project
  planning, and project monitoring and project evaluation. They can also assist
  by coming in as sponsors of the project if the perceived outcome is deemed
  beneficial to their objectives and goals.
- It was noted that the management of stakeholders plays a pivotal role to
  ensure project success. This is because it fosters and opens up
  communication channels between the project managers and stakeholders;
  this allows quicker feedback, making it easier to redirect and or change things
  timeously. Good communication also assists in reducing conflicts between
  stakeholders and project managers. Most of the project delays are caused by
  bickering or disagreements, which normally cause stalemates leading to

project delays due to issues like finance hold ups. Furthermore, this will help to produce quality products or outcomes. Quality speaks to fitness for purpose.

- The participants agreed that project managers should have a stakeholder management plan that is all-encompassing. Such a plan should include how management intends to engage with stakeholders and at which point. In the same manner, they should be able to formulate strategies on how to keep stakeholders motivated during the tenure of the project.
- The research also determined that different stakeholders play different roles in a project. It is therefore critical for project leaders to identify where and how they can benefit from project stakeholders depending on what they do and the strength that they have.

#### 5.3 Conclusions and recommendations

The following conclusions were made from this research concerning stakeholder management in Eskom projects undertaken in the Northern Cape:

#### 5.3.1 Conclusion

This study concluded that:

- Stakeholder management influences good relationships between the project managers and the stakeholders, which in turn increase productivity levels, reduce work-related conflict and ensure high quality projects.
- The study determined that the stakeholders play a crucial role in identifying project stakeholders, project planning, project implementation and planning of the project.
- Stakeholder management plans should be in place to ensure all critical stakeholders are kept informed. This helps to maintain critical relationships that can stall or stop projects from being successful.
- Some stakeholders have critical skills and knowledge, which when utilised and managed well will assist in ensuring project success.
- Project managers should have strategies to keep stakeholders motivated for the sake of the project. This can be done through continuous engagement

and feedback. This keeps communication channels open, giving stakeholders a sense of ownership throughout the project.

#### 5.3.2 Recommendations

The following recommendations follow from the research:

## 5.3.2.1 Refining stakeholder management practices

General management of project stakeholders and project success is enhanced by improving both the project and the environment that promote the needs of project stakeholders. Organisations or companies that intend to carry out projects should be conversant with the project planning and implementation process. The company should identify critical areas that need cooperation by crucial stakeholders to ensure project success. The company should also ensure that mechanisms for feedback are installed and available to ensure that there is continuous feedback to the stakeholders.

#### 5.3.5.2 Conflicts resolution

The project leaders should be proactive in solving the challenges. They should put in place ways and means to identify potential problems areas, engage the relevant stakeholders, and tackle them before they get out of hand. Conflicts are inevitable and they will always exist as some project objectives may conflict with those of the stakeholders. It is also critical for project leaders to have proven conflict resolution methods to deal with stakeholder issues for the benefit of the communities where projects will be undertaken.

## 5.3.5.3 Establish an effective communication system

Effective communication between stakeholders and project leaders plays a pivotal role in ensuring that projects succeed. The project manager should therefore establish a system that allows sharing of ideas across all levels of the project. This allows problems to be identified early enough, have solutions worked out in time, mobilise required resources and redirect the project. Good communication also allows for a good working rapport with stakeholders. This creates a working harmony that cultivates the achievement of project goals.

## 5.3.5.4 Identification of key stakeholders

In line with the literature review, project leaders should identify key stakeholders that have the capacity to stall or stop projects. The project managers need to work hand in hand with the key stakeholders (listed below) and address their concerns as much as is possible. Such stakeholders would include sponsors, government, policy makers, and key users of the outcome of the project.

#### 5.3.5.5 Role identification

Whilst there are several stakeholders that contribute to an existing project, they play different roles, depending on their objectives. It is recommended that project leaders identify the different roles that each of the stakeholders play so as to benefit from their expertise. Leaders can seek guidance from government specialists on regulatory issues and proceed to seek additional funding based on the changes.

## 5.3.5.6 Stakeholder engagement

There is a need for a project leader to engage various stakeholders throughout the project life cycle. This helps to find alternatives to problems and resolve them early enough to prevent project stoppages. It also allows for idea sharing, which is critical for making projects less costly; hence, they become more efficient.

#### 5.4 Further research areas

This study did not exhaust all issues that are associated with stakeholder management in project management. Studies may be carried out on the challenges that stakeholders themselves pose to project success. Further studies can also be done on the stakeholder management model and how those stakeholders can be used by project managers to enhance project success.

#### 5.5 Conclusion

This chapter gave a summary of the research findings from the interviews and questionnaires. The research concluded on the importance of managing stakeholders to ensure that project targets are achieved. Participants emphasized the need to keep relationships with stakeholders to minimize conflicts and to create good working relationships to ensure that projects are successful. In line with the

findings, the study provided various recommendations that were meant to improve stakeholder management in the operating units of Northern Cape (NCOU). Amongst the recommendations project managers need to refine stakeholder management practices, be proactive on conflict resolution and establishing effective communication.

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# **APPENDIX A: PERMISSION LETTER**



The General Manager Northern Cape Operating Units 69 Memorial Road DCS Office Park Monument Heights KIMBERLEY 8301

Dear Mr. Klaas Gouws

## REQUEST FOR PERMISSION TO CONDUCT RESEARCH AT ESKOM DISTRIBUTION NOOU

I hereby request permission from you as the General Manager of Eskom Distribution NCOU, to conduct a research survey in the operating unit.

Research topic: Influence of stakeholder management on project success in the Northern Cape operating units (NCOU) projects of Eskom

 Masekoala Lesesa am doing research with Professor Helena van Zyl in Business School towards a Masters of Business Administration at the University of the Free State.

The primary objective of the study is to investigate the influence of stakeholder management on project success in Eskom NCOU.

Yours sincerely
Masekoala Lesesa
Project Coordinator

Supported by: Thandlwe Mankwe Programme Manager

Approved by: Klaas Gouws General Manager NCOU

Northern Cape Operating Unit 69 Memorial Road DCS Office Park Monuments Heights, SA Tel +27 53 830 5700 www.eskom.co.za

Eskom Holdings SOC Ltd Reg No 2002/015527/50

# **APPENDIX B: INTERVIEW GUIDE**

# Section A: Demographic questions

- 1) What are your years of experience at Eskom and in your current position?
- 2) What is your current position?
- 3) What is your highest educational qualification?

# **Section B: Research questions**

# Who are the key role players in projects that have an impact on stakeholder management and project success?

- 4) What is your understanding of stakeholder management?
- 5) What is the role of the stakeholders in Eskom NCOU projects?
- 6) Which of the stakeholders do you consider to be key role players?

# What influence does stakeholder management have on the success of projects?

- 7) What criteria do you use at Eskom NCOU to measure project success?
- 8) In your opinion, do you consider stakeholder management to affect project success at Eskom NCOU projects?
- 9) Can you describe any project that has been either successful through project stakeholder management or that has failed as a result of ineffective stakeholder management?

# How does communication with stakeholders influence the success of the Eskom NCOU core projects?

- 10) Describe the ways used at Eskom NCOU projects to communicate with stakeholders.
- 11) In your view, does communication with stakeholders influence the success of the Eskom NCOU core projects?
- 12) Which are the most effective ways of communicating with stakeholders for project success at Eskom NCOU?

# What are the recommendations for improving stakeholder management practices at Eskom?

- 13) Is there a need for improving stakeholder management practices at Eskom? Motivate your answer?
- 14) Do you have any other contributions?

## APPENDIX C: ETHICAL CLEARANCE LETTER



## GENERAL/HUMAN RESEARCH ETHICS COMMITTEE (GHREC)

23-Jul-2020

Dear Miss Masekoala Lesesa

### Application Approved

Research Project Title:

Influence of stakeholder management on project success in the Northern Cape operating units (NCOU) projects of Eskom

Ethical Clearance number:

UFS-HSD2020/0627/1307

We are pleased to inform you that your application for ethical clearance has been approved. Your ethical clearance is valid for twelve (12) months from the date of issue. We request that any changes that may take place during the course of your study/research project be submitted to the ethics office to ensure ethical transparency. furthermore, you are requested to submit the final report of your study/research project to the ethics office. Should you require more time to complete this research, please apply for an extension. Thank you for submitting your proposal for ethical clearance; we wish you the best of luck and success with your research.

Yours sincerely

Dr Adri Du Plessis

Chairperson: General/Human Research Ethics Committee

Adri du Plessis 2020.07.23 12:23:14

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# APPENDIX D: CONSENT FORM AND ACCOMPANING LETTER



# RESEARCH STUDY INFORMATION LEAFLET AND CONSENT FORM

### DATE

24 April 2020

## TITLE OF THE RESEARCH PROJECT

Influence of stakeholder management on project success in the Northern Cape operating units (NCOU) projects of Eskom

# PRINCIPLE INVESTIGATOR / RESEARCHER(S) NAME(S) AND CONTACT NUMBER(S):

Masekoala Lesesa

2016387397

+2773 277 0055

### FACULTY AND DEPARTMENT:

Name of Faculty: Economic and Management Sciences Name of Department: Business School

## STUDYLEADER(S) NAME AND CONTACT NUMBER:

Name of Study Leader (UFS staff member): Prof Helena van Zyl Contact number

## WHAT IS THE AIM / PURPOSE OF THE STUDY?

To investigate the influence of stakeholder management on project success in the Northern Cape operating units projects of Eskom. Because the results of the study will be valuable to Eskom NCOU projects department by revealing how the department can effectively monitor and manage their stakeholders in all their projects. The department will also be able to achieve project success based on effective management of key stakeholders and to conform to their specific needs. For employees, they will be in a position to appreciate the importance of stakeholder communication which will eliminate problems of stakeholder engagement, delays in current and future projects implementation.

# WHO IS DOING THE RESEARCH?

My name is Masekoala Lesesa; I work for Eskom Distribution as a project coordinator. I am doing a research for academic purposes.

### HAS THE STUDY RECEIVED ETHICAL APPROVAL?

Yes.

Approval number: UFS-HSD 2020/0627/1307





### WHY ARE YOU INVITED TO TAKE PART IN THIS RESEARCH PROJECT?

The sample had 8 participants with 6 to 10 years' experience, 3 with more than 10 years' experience and 5 with 1 to 5 years' experience. The staffs recruited for the study were from assets creation department, which is responsible for handling Eskom projects on a daily basis in Northern Cape.

#### WHAT IS THE NATURE OF PARTICIPATION IN THIS STUDY?

The participant's will be expected to answer questions in a semi-structured interview. The questions that will be asked consist of demographic questions such as years of experience and research questions such as what influence does stakeholder management have on the success of projects? What are the key role players in projects who have an impact of stakeholder management and project success? What is the impact of stakeholder management on the success of projects at Eskom! How does communication with stakeholders influence the success of the Eskom NCOU core projects! What are the recommendations for improving stakeholder management practices at Eskom! On overage the interviews are expected to take 25 minutes.

#### CAN THE PARTICIPANT WITHDRAW FROM THE STUDY?

The proposed study will give participants consent letters to sign so that they participate out of their own free will. The consent letters will inform the participants of the research problem, research questions as well as how the research findings will be used.

### WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

The study can be valuable to Eskom NCOU projects department as it reveals how the department can effectively monitor and manage their stakeholders in all their projects. The department will also be able to achieve project success based on effective management of key stakeholders and to conform to their specific needs. For employees, they will be in a position to appreciate the importance of stakeholder communication which will eliminate problems of stakeholder engagement, delays in current and future projects implementation. The economy as a whole can benefit from Eskom's efficiency and effectiveness in provision of electricity for the Northern Cape and South Africa as a whole. To the academia, the study will add knowledge on ways of improving stakeholder management, which can be used in undertaking future studies. The study considered ethical principles in the research process. The ethical principles include no harm or injury to the research participants, permission, consent, confidentiality.

## WHAT IS THE ANTICIPATED INCONVENIENCE OF TAKING PART IN THIS STUDY?

The participants can withdraw from the study at any time.

### WILL WHAT I SAY BE KEPT CONFIDENTIAL?

The records of all the participants will be put in a locked safe place to ensure their confidentiality. The identity of participants will not be requested in order to maintain confidentiality. Only the researcher





will have access to the data. The proposed study will give participants consent letters to sign so that they participate out of their own free will.

# HOW WILL THE INFORMATION BE STORED AND ULTIMATELY DESTROYED?

Hard copies of your answers will be stored by the researcher for a period of five years in a locked cupboard/filing cabinet at the library of the University of the Free State for future research or academic purposes; electronic information will be stored on a password protected computer. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable. Hard copies will be shredded and soft copies will be deleted. There will not be any level of inconvenience or discomfort to the participant in this study. The study avoided harm and injury.

### WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICPATING IN THIS STUDY?

There will not be any payment due to participant as they will be required to sign consent letters to participate out of their own free-will. There will not be any level of inconvenience or discomfort to the participant in this study. The study avoided harm and injury.

### HOW WILL THE PARTICIPANT BE INFORMED OF THE FINDINGS / RESULTS OF THE STUDY?

If you would like to be informed of the final research findings, please contact Masekoala Lesesa on +27 73 277 0055 or send email to lesesamj@gmail.com. Should you require any further information or want to contact the researcher about any aspect of this study, please contact +27 73 277 0055, lesesamj@gmail.com. Should you have concerns about the way in which the research has been conducted, you may contact +27 51 401 3175,Van2yIH@ufs.ac.za. There will not be any level of inconvenience or discomfort to the participant in this study. The study avoided harm and injury.

Thank you for taking time to read this information sheet and for participating in this study.





## CONSENT TO PARTICIPATE IN THIS STUDY

l,	(participant name), con	firm that the person asking my
consent to take part in this research	has told me about the nature, p	rocedure, potential benefits and
anticipated inconvenience of partici	pation.	
I have read (or had explained to n	ne) and understood the study	as explained in the information
sheet. I have had sufficient oppor	tunity to ask questions and am	prepared to participate in the
study. I understand that my partici	pation is voluntary and that I a	m free to withdraw at any time
without penalty (if applicable). I a	m aware that the findings of	this study will be anonymously
processed into a research report, jou	urnal publications and/or confer	ence proceedings.
agree to the recording of the insert	t specific data collection method.	
I have received a signed copy of the	informed consent agreement.	
Full Name of Participant:		_
Signature of Participant:		Date: 24/07/2020
Full Name(s) of Researcher(s): Mase	ekoala Lesesa	
Signature of Researcher:	- COUNT	Date: 24/07/2020



# APPENDIX E: LANGUAGE EDITING DECLARATION

CORRIE GELDENHUYS POSBUS 28537 DANHOF 9310

② 083 2877088 corrieg@mweb.co.za

9 October 2020

## TO WHOM IT MAY CONCERN

Herewith I, Cornelia Geldenhuys (ID 521114 0083 088) declare that I am a qualified, accredited language practitioner and that I have edited the following Master in Business Administration:

INFLUENCE OF STAKEHOLDER MANAGEMENT ON PROJECT SUCCESS IN THE NORTHERN CAPE OPERATING UNITS (NCOU) PROJECTS OF ESKOM

by

Masekoala Lesesa

[Student number: 2016387397]

All changes were indicated by track changes and comments for the author to verify, clarify aspects that are unclear and finalise. The editor takes no responsibility in the instance of this not being done. The document remains the final responsibility of the author.

C GELDENHUYS

c.g.\_\_\_\_

MA (LIN - cum laude), MA (Mus), HED, Postgraduate Dipl, Library Science, UTLM

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Full member/Volle lid, Professional Editors Guild (PEG, Membership GEL001)
Mediterranean Editors and Translators (MET: Membership 02393)
European Association of Scientific Editors (EASE: Membership 5523)