STAKEHOLDER MANAGEMENT FOR URBAN DEVELOPMENT PROJECTS IN SOUTH AFRICA

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at the

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PROMOTER: Prof. B. Eksteen
CO-PROMOTER: Prof. C. Arnolds

November 2012
DECLARATION

I hereby declare that the work contained in this thesis is my own original work; and it has not been previously – in its entirety, or in part – been submitted at any other University or Institution for a degree. All references in the text have been duly acknowledged and properly sourced.

Signed --------------------------------- 23 November 2012
Musa Mgemane                      Date

This thesis has been submitted for examination with our approval as the promoter and the co-promoter.

Signed --------------------------------- 20 November 2012
Prof. B. Eksteen                   Date

Signed --------------------------------- 21 November 2012
Prof. C. Arnolds                   Date
DEDICATION

This thesis is dedicated, firstly, to the womenfolk in general, for being the builders and foundation of nations, and particularly to two very special women who made me to be the person I am today, and who are the foundation of that person. I am a product of women’s upbringing. This is a special tribute to my late grandmother, uNomashwabathe, and my late mother, uDemezana, for nurturing the talent in me and for unleashing my potential through the proper upbringing they administered in my formative years. I say bravo! May their souls rest in peace.

Secondly, this thesis is dedicated to my folks – who constitute a support structure and who are influential in my life – for their influence, care, and support. This is a special tribute to bhut’ uNkuks; bhut’ uGid no sis’ uPhil; bhut’ uMehlo (may his soul rest in peace); uSisi; uSammy; uBhaba (may his soul rest in peace); uAndile; uSphiwe; gog’ uMaXaba; malum’ uTeki no malum’ uMaFakude; bhut’ uMthandazo; the entire Mgemane clan; bab’ uMandla no mam’ uGranny Mthembu; uBenny no Fikile; uLanga no Noxolo; uSthandwa; uLawrence Malau (may his soul rest in peace); and others. Enkosi, you are recognised for your efforts.

Thirdly, this thesis is dedicated to the people of White City Jabavu, the real ghetto of Soweto, where I was made and where I became. This is a tribute to the community of Kenza for influencing, not only my worldview, but also for shaping the concept of who I am. I say: “Long live the spirit of ama-Kenza”.

Above all, I dedicate this thesis and I give all the glory to Yahweh my God, and to Yeshua my Lord, as the Provider of my talent, the Enabler of my potential, and the Source of my strength and determination to be the best that I can. Glory!
ACKNOWLEDGEMENTS

This thesis is the product of team work; and it could not have been accomplished without the selfless contributions by various individuals and organisations – whether acknowledged here or not. Despite all the contributions, any exceptions or defects are entirely my own.

Firstly, I acknowledge the professional and supporting roles of the research promoter, Prof. Brian Eksteen, the research co-promoter, Prof. Cecil Arnolds, and the academic programme researcher, Dr Annelie Pretorius.

Secondly, I acknowledge the contributions of all scholarly and media sources cited in this research – and particularly the scholars of the eight fraternal research studies within which this thesis is located – for creating theoretical space for this research project in the body of knowledge.

Thirdly, I acknowledge the contributions of internal and external stakeholders in the two selected urban development projects – the Johannesburg BRT project, and the Gauteng Freeway Improvement project – for the interviews that contextualised the framework developed through this research project. I acknowledge the contributions of the thirteen projects’ academic and practitioner experts for the interviews that confirmed the framework developed through this research project. I acknowledge the contributions of the projects’ practitioners, who participated in the questionnaire survey on the framework developed through this research project – and particularly the leadership and management of the ACPM and the SACPCMP for providing access to their membership.

Lastly, I acknowledge the contributions of my research team, uZethu my wife, uNomabhongo my daughter, noBawo my son. For their roles in various aspects of this research project – from the moral support, encouragement, data transcribing and capturing, proof-reading, and for being a sounding board. This is our thesis, team, and well done to all three of you, I love you!
ABSTRACT

The study arose from a research issue that is both practical and theoretical. The apparent challenges of a stakeholder management nature in the execution of urban development projects in South Africa led to the conception of the study. However, the most compelling need for the study was the theoretical gap – in the urban development theory, in the projects theory, and particularly in the stakeholder management theory – on the management of stakeholders in the South African urban development projects. As a result, the value of the study is both managerial and scholarly.

The urban development concept is understood to be referring to the development of urban areas for the purpose of improving the quality of life in the cities, and the development of the infrastructure to enable economic growth. Urban development projects, as vehicles for accomplishing urban development, are important for a newly industrialised economy (NIE) like South Africa. Also, as a result of the political past – in the form of a systematic preferential development based on racial segregation by the previous government, and the two decades of subjection of South Africa to economic and cultural isolation by the international community – South Africa has a huge backlog with regard to the two general purposes of urban development: social progress and economic progress.

Consequently, urban development projects in South Africa are very critical and important, particularly for geopolitical and socio-economic reasons.

Judging by the extensive negative media coverage, many of the South African urban development projects demonstrate poor stakeholder management. The list of urban development projects that have experienced stakeholder related challenges in South Africa is endless: the Johannesburg BRT project, the Gauteng Freeway Improvement project, the Transnet multi-product pipeline-construction project, the Chapman’s Peak toll-road project, the Kusile and Medupi power stations construction projects, are some examples.
The project management profession and body of knowledge view stakeholder management in a serious light, actually a failure in adequately implementing stakeholder management in a project is tantamount to a failure of the project itself. There is also a consensus among numerous researchers that there is a general lack of knowledge for project managers on how to manage stakeholders, particularly external stakeholders. Stakeholder management is a poorly understood and, usually a very badly implemented project management discipline.

Managing projects in Africa, and by inference in South Africa, can be particularly complex – given the involvement of multiple stakeholders and their historical, geopolitical, economic relationships, and cultural differences.

The study set out to develop a framework to improve the management of stakeholders in urban development projects – by investigating the critical success factors that have an influence on stakeholder management success in urban development projects in South Africa. This study is important primarily because there seems to be no previous research conducted on this important project management discipline, stakeholder management of urban development projects; and there seems to be a neglect of stakeholder management duties by urban development projects agencies, and by inference, projects practitioners in South Africa.

A theoretical space was created for this study in the fraternal literature of previous studies on critical success factors and/or stakeholder management in construction projects – as there seem to be none undertaken in the urban development environment, particularly in the South African context.

A theoretical model comprising 12 critical success factors to improve stakeholder management in urban development projects in South Africa was developed by following a three-step scholarly process: The literature review, contextual stakeholder-interview analysis, and consultative-expert interview analysis – to identify the stakeholder management success factors, and to contextualise them into the South African setting, and to confirm them with the project’s academic and practitioner experts, respectively.
The 12 stakeholder management critical success factors were then ranked and prioritised through a questionnaire survey administered on projects practitioners who are members of the ACPM and the SACPCMP. The rankings of the 12 critical success factors, by mean scores, were as follows: (1) stakeholder communication (4.5471); (2) stakeholder participation (4.4798); (3) stakeholder identification (4.4619); (4) stakeholder relations (4.4126); (5) stakeholder education (4.3991); (6) stakeholder risk (4.3677); (7) stakeholder strategy (4.3453); (8) stakeholder environment (4.3318); (9) stakeholder profiling (4.2377); (10) stakeholder recognition (4.2287); (11) stakeholder interest (4.1614); and (12) stakeholder classification (4.0942).

The exploration of the structural dimensions underlying the ranked 12 stakeholder management critical success factors, using factor analysis, yielded a single factor structure. This implies that the 12 stakeholder management critical success factors are explicit factors that influence stakeholder management success, and are critical factors for a framework that is required to improve stakeholder management in urban development projects in South Africa.

Over and above the framework of 12 stakeholder management critical success factors, the study also uncovered two additional key findings. The first of these two was that a significant number of projects practitioners do not practise formalised stakeholder management procedures in their projects; and some do not practise stakeholder management at all in their projects. The second key finding was that the projects practitioners largely give pre-eminence to internal stakeholders (client or customer, government, financier or sponsor, et cetera) and less recognition to external stakeholders (communities, special interest groups, motorists, commuters, and suchlike) in their stakeholder management practice.

The outcome of this study is a framework, a comprehensive and coherent set of critical principles and rules that provide a basis and an outline for the development of stakeholder management plans and processes for individual and unique urban development projects. The managerial contribution of the study is to improve stakeholder management practice in urban development projects in South Africa, through a framework that could be employed as a planning tool, an assessment tool,
and a reference tool, by the projects practitioners. On the other hand, the theoretical
collection of the study is threefold: it provides the urban development dimension to
stakeholder management in projects; it provides the South African context in urban
development projects; and it also meets the framework criteria.

The study contributes new or enhanced knowledge by providing the stakeholder
management success factors that reflect the urban development dimension. The
study also contributes to the body of knowledge by providing the volatile, sensitive,
and complex South African context in stakeholder management in projects, and
specifically the urban development projects – different to the settings of the fraternal
studies that were conducted in the Far East and Oceania.

The study also contributes theoretically by providing a framework comprising
comprehensive, coherent, and critical factors and principles that are essential in the
management of stakeholders in urban development projects, particularly in the South
African context, which is itself a theoretical extension of previous fraternal studies.

**Keywords**: critical success factors, project management, project success,
stakeholder management, urban development, South Africa.
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CHAPTER 1: THE PROBLEM AND ITS SETTING

1.1 INTRODUCTION

Stakeholder management is a broad and universal management concept; however, for the purpose of this study the focus is its location within the project management aspect of the management function. There is a consensus among numerous researchers that there is a general lack of knowledge for projects practitioners on how to manage stakeholders, particularly external stakeholders (Bourne & Walker, 2005: 650; Bredillet, Thomas & Musila, 2012: 3; Haughey, 2010: 1; Kappelman, McKeeman & Zhang, 2006: 32; Karlsen, 2002: 20; Olander, 2003: 19; Yeo, 2002: 242; Worsley, 2011: 22). There has been a concerted effort by the same scholars to research stakeholder management methods for niche project management areas. Prior to this study there seem to be no studies on volatile urban development projects – of the type that South Africa has.

Project success is a function of input and/or the opinions of numerous individuals, including those outside the project team; as a result, project-stakeholder management is one of the most critical responsibilities of a project manager (Karlsen, Græe & Massaoud, 2008: 7). These individuals could be visible stakeholders with economic interest in the project, or they could be invisible stakeholders in the periphery of the project; yet they can exert some influence on the project success or be affected by the workings and/or the outcomes of the project. Previous and contemporary studies point to the temporary aspect of the project organisation, which compels a project manager to continuously re-position the project, as it adapts to its dynamic environment. As a result, even though stakeholder management is a vital responsibility for every manager, for a project manager it takes on a different form (Karlsen et al., 2008: 8).

This study was important primarily because there seem to have been no previous research conducted on this important aspect: the stakeholder management of urban development projects. However, there are several studies conducted on stakeholder management of pure construction projects (Yang, Shen, Ho, Drew & Chan, 2009a; Yang, Shen & Ho, 2009b; Yang, Shen, Ho, Drew & Xue, 2010; Yang, 2010a).
Proper and adequate stakeholder management is a critical imperative for project management practice; and by inference, this is also vital for success in urban development projects. Urban development projects are the fundamental avenue for urban-infrastructural development, among others; and this is of key importance for economic growth in general – and particularly for South Africa’s ambition to be ranked along with rapid economic growth countries like the BRIC nations (Brazil, Russia, India, and China). Therefore, it is imperative for project management practitioners not to fail these vital urban development projects through improper or inadequate stakeholder-management implementation.

1.2 STATEMENT OF THE PROBLEM

There is a scholarly and practical (business and/or managerial) basis for researching stakeholder management in urban development projects in South Africa. Few management topics have generated more debate in recent decades than the theories surrounding stakeholders (Fassin, 2009: 113). In recent history, the stakeholder theory has become key and central in various management sciences; particularly in business ethics (Orts & Strudler, 2002: 215). For almost two decades, stakeholder theory has been viewed, argued, contested, and/or supported by stakeholder theorists from three, often confused, perspectives: – from its descriptive, instrumental, and normative bases (Donaldson & Preston, 1995: 88; Nwanji & Howell, 2005: 3). The descriptive stakeholder theory, simply put, is that organisations, in describing themselves, their processes, and their environments, have to acknowledge and understand that they have stakeholders. The instrumental-stakeholder theory, simply put, is that organisations have to acknowledge and understand that the appropriate management of stakeholders is instrumental to the organisational economic performance. The normative stakeholder theory, simply put, is that organisations have to acknowledge and understand that stakeholders have a right to exist, and as result have to be regarded as legitimate and treated ethically. The stakeholder theory is found in disciplines as diverse as economics, ethics, marketing, political science, and systems science (Simmons & Lovegrove, 2005: 496).
The stakeholder notion has also found its way into the project management theory (Achterkamp & Vos, 2008: 749; Jepsen & Eskerod, 2009: 335). The project management profession and the body of knowledge view stakeholder management in a serious light. Actually, a failure in properly and adequately implementing stakeholder management in a project is tantamount to a failure of the project itself (Bourne & Walker, 2005: 650; Haughey, 2010: 1; Kappelman, McKeeman & Zhang, 2006: 32; Karlsen, 2002: 20; Yeo, 2002: 242).

According to Worsley (2011: 22), stakeholder management is an aspect of project management that is not well understood by the profession; and as a result its implementation is inadequate. The prevailing stakeholder management within the project management is practised with a favourable bias towards the internal stakeholders; and it is largely not formalised. Even the custodians of the profession, the project management associations, have neglected it for too long (Worsley, 2011: 22).

It is only recently that the PMI, in the forthcoming PMBOK Guide 5th edition, is considering expanding the list of facilitative knowledge areas to include stakeholder management (Draft PMBOK, 2012). According to Bredillet et al. (2012: 3), major projects in Africa, and by inference in South Africa, involve multiple stakeholders; and these multiple stakeholders are known to have different and often divergent interests, as well as different power standings. Managing projects in South Africa can be particularly complex – given the involvement of multiple stakeholders and their historical, geopolitical, economic relationships, and cultural differences (Bredillet et al., 2012: 3). Urban development projects have a high success propensity – where all the affected stakeholders have a buy-in in the project – and this happens when all the affected stakeholders feel that they have been adequately consulted, and that their interests have been taken into consideration, by either being incorporated into the project scope, or mitigated by some satisfactory compensation. Judging by the extensive negative media coverage, reviewed hereunder, many South African urban development projects demonstrate poor stakeholder management.

The Johannesburg Bus Rapid Transit (BRT) project was riddled with problems. Sporadic attacks on buses and commuters were reported (Rea Vaya, 2010b: 1;
Schnehage, 2010: 1). Fear and anarchy had characterised what was supposed to be a “fast, safe, and affordable public transport on a network of bus routes across Johannesburg” (Mashaba, 2010: 2; Mashaba & Xaba, 2010: 1; Rea Vaya, 2010a: 1).

It is also common knowledge that a key stakeholder in the South African public transport system, in the form of the minibus-taxi industry, has been unhappy with both the BRT concept and with this urban development project and its implementation (SANTACO, 2008: 1; SANTACO, 2009a: 1; SANTACO, 2009b: 1; SANTACO, 2009c: 1). The challenges in the Johannesburg BRT project are stakeholder related; and therefore, this is a stakeholder management issue.

Another recent case of a significant urban development project that has been characterised by stakeholder management problems is the Gauteng Freeway-Improvement Project (GFIP) (Makhafula, Mabuza & Xaba, 2011: 1; O’Sullivan, 2011: 1; SAPA, 2011: 1). Major political formations, the mini-bus taxi industry, business forums, road-freight associations, and private motorists have slammed the tolling aspect of the GFIP, citing lack of consultation of the road users by the South African National Roads Agency Limited (SANRAL).

There is also another view that the tolling of the refurbished Gauteng highways would cancel out any economic benefit they would otherwise have facilitated (Parker, 2011: 1; The Citizen, 2011: 1).

The construction of Kusile and Medupi power stations are two other urban development projects that have experienced project work interruptions, due to stakeholder related issues in the form of protests by the workers and environmental lobby formations, like Greenpeace (Lourens, C. 2011: 1; Van der Merwe, C. 2011: 1). The most recent in the myriad of stakeholder management challenges in urban development projects in South Africa is the protests by Hout Bay residents in Cape Town, accusing the Western Cape provincial government of neglecting their views on the proposed tolling of Chapman’s Peak Drive, and the construction of an office block on Chapman’s Peak (Gosling, 2012; Yield & Mama, 2012).
There are other examples of urban development projects in South Africa, where there were protests by the stakeholders, and where stakeholder management has been questionable: the Taxi Recapitalisation programme (Ismail, 2007: 1), the relocation of schools in the construction of the Mbombela World Cup Stadium (SAPA, 2008: 1), the protests by the residents of Adams Mission, near Amanzimtoti, on the construction of a multi-billion rand Transnet multi-product pipeline from Durban to Johannesburg (Mbonambi, 2010: 1). These are just some of the recent stakeholder-management problems in South African urban development projects.

The project management profession and the body of knowledge view stakeholder management in a serious light. Actually, a failure in properly and adequately implementing stakeholder management in a project is tantamount to a failure of the project itself (Bourne & Walker, 2005: 650; Haughey, 2010: 1; Kappelman, McKeeman & Zhang, 2006: 32; Karlsen, 2002: 20; Yeo, 2002: 242). South Africa is an emerging and developing economy, a so-called newly industrialised economy (NIE), or newly industrialised country (NIC) in transition to becoming a fully-fledged developed economy (World Bank, 2010b: 1). As a consequence, urban development projects are a prominent feature in the national programme and agenda (World Bank, 2010a: 1).

Consequently, urban development projects are an inevitable imperative for a developing economy; they are a beeline to rapid economic development. From this account of the important role of urban development projects, it is evident that the persistence of stakeholder management problems in South African urban development projects is not only a cause for concern for the project management profession; but it is also detrimental to the progress of South Africa as a developing economy. Therefore, stakeholder management in urban development projects cannot be overemphasised; it is a critical aspect of these projects; and consequently, of the growth of the South African economy.

South Africa as an emerging economy has the ambition of rapidly climbing the world economy echelons, and to be classified on economic real terms among the rapidly growing economies, like Brazil, Russia, India, and China (BRIC). During the year 2010, prior to South Africa’s admission to BRICS (Brazil, Russia, India, China, and
South Africa), President Zuma visited the four BRIC nations; and judging by his pronouncements during these visits, made the South African intentions very clear: to be classified with the best world economies (Afriscan, 2010: 1; SABC News, 2011: 1; VAO News, 2010: 1; XYX Today, 2011: 1).

However, these intentions cannot be attained by merely stating them, or even merely by being a BRICS member. There has to be demonstrable rapid growth in the country’s economy for that intention to be realised. The irony of South Africa’s actions is contrasted by the progress made by Korea (South) and Singapore. Prior to BRICS, the world economy commentators had for some time been talking of BRICKS; while Korea and Singapore had not given any indication that they were interested in joining the BRIC (now BRICS) informal group. Instead, they were going ahead with their programmes of rapid economic growth (Seeking Alpha, 2010: 1).

Perhaps this should have been the South African approach too; and for this approach to be effective, urban development projects, among others, are vital.

Urban infrastructural development is one of the key aspects in economic growth (All Business, 2010: 1; Calderón & Servén, 2004: 25; Demurger, 2001: 95). The cornerstone of the South African economic growth path, as crafted by the cabinet in October 2010, and emphasised in the two subsequent presidential state-of-the-nation addresses, is infrastructural development, through massive expansion of transport, energy, water, communications capacity, and housing (Ensor & Mkokeli, 2010: 1: Moneyweb, 2010: 1; Zuma, 2011; Zuma, 2012). These can only be achieved through urban development projects. Therefore, in the South African context, and also in the global context, urban development projects play a significant role in economic growth and improving the lives of citizens. To ensure the success of urban development projects, it is critical that the stakeholder-management discipline, among other project management disciplines, is successful.

Urban infrastructural development is achieved through urban development projects. There are, therefore, indirect economic spinoffs in improving stakeholder management in urban development projects because this could lead to improved urban development projects’ success rate; and consequently, to an improvement in...
the rate of urban-infrastructural development, which is an imperative for rapid economic growth, in general, and the new South African economic growth path, in particular.

Against the background discussed above, the research problem is stated as follows: This research proposes to investigate the effects of stakeholder management and the neglect thereof as determinants of project success or project failure in the management of urban development projects in South Africa.

1.3 RESEARCH OBJECTIVES
The primary objective of this study is to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management critical success factors (CSFs) that have an influence on stakeholder management success in urban development projects in South Africa.

The following three secondary study objectives will culminate in the primary objective stated above:

1. To investigate the influence of various stakeholder management critical success factors (CSFs) on stakeholder management success in urban development projects;
   1.1 To be identified through the evaluation of related and relevant previous research / literature – against the background of:
      1.1.1 The state (programme, importance, and challenges) of urban development in South Africa,
      1.1.2 The management of projects – the concept and practice, and
      1.1.3 The theory and classical models of the stakeholder management concept;
   1.2 To be contextualised through a limited qualitative study (interviews with internal and external stakeholders in two volatile urban development projects – Johannesburg BRT and GFIP);
1.3 To be confirmed through a limited qualitative study (interviews with thirteen project management experts – a combination of academics and practitioners); and

1.4 To be tested through a full-scale quantitative study (survey questionnaires to be administered to projects practitioners).

2. To quantitatively rank and prioritise critical success factors (CSFs) associated with stakeholder management in urban development projects, that is, through statistical analyses that can answer the following questions:

2.1 What is the ranking of the CSFs in the entire respondent sample and in each demographic group (position, experience, PM qualification, other qualification, certification, membership, and project type)?

2.2 Is there a general consensus on the rankings of the CSFs across various strata within demographic groups?

2.3 Is there any correlation between the score values of the CSFs and those of the different demographic groups?

2.4 What are the true differences in perceptions on the relative importance of CSFs across various strata within demographic groups?

3. To explore the underlying latent structure among the critical success factors (CFSs) by using factor analysis, that is, through statistical analysis to answer the following question:

3.1 What are the underlying CSF relationships and dimensions?

This approach has been adapted from Yang, Shen, Ho, Drew and Chan (2009a); Yang, Shen and Ho (2009b); Yang, Shen, Ho, Drew and Xue (2010); Yang (2010a); Toor and Ogunlana (2009: 158); Toor and Ogunlana (2010); and to some extent Nguyen, Ogunlana and Lan (2004) and Chileshe and Haupt (2005).

1.4 HYPOTHESES AND HYPOTHESISED MODEL

The hypotheses and hypothesised model for this research are formulated and stated in 6.6.
1.5 ASSUMPTIONS
There are several assumptions that are made as part of this study. The first is that project management principles are universal, even though project environments may differ from one setting to another. It is, therefore, assumed in the study that the project managers and/or projects practitioners that are not involved in urban development projects were competent enough to apply their general project management expert judgement in their questionnaire responses, and were not prejudiced by their lack of exposure to managing urban development projects.

The second assumption made is one with respect to the study sample size. The SACPCMP sent emails to its entire membership, notifying them on this study’s questionnaire survey hosted on the NMMU website. From the total number of emails that were sent to SACPCMP members, according to the SACPCMP email report, 694 emails had an open status; that is to say, they were opened by the recipients. An opened email does not necessarily imply that it was read; however, an assumption is made that all the 694 recipients who opened their emails read them; and this number could then be treated as the sample size. Hence, the assertion that a total of 694 projects practitioners were surveyed. Of these 694 recipients who opened their emails, and it is assumed read those emails, 223 participated in the questionnaire survey that was hosted on the NMMU website.

1.6 SCOPE OF THE STUDY
The primary objective of the proposed study is to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management critical success factors (CSFs) that have an influence on stakeholder management success in urban development projects. The primary scope area of the proposed study is the stakeholder management aspect of urban development projects. That is, within projects that are only of an urban development kind, the area of focus of the study is stakeholder management. Because the proposed stakeholder management framework will be tested in South Africa, the study is therefore bound to the South African situation.
The survey population and/or sample comprises projects practitioners across all areas of project management application. The population is not confined to urban development projects practitioners. The limited number of stakeholders’ interviews conducted after the literature review and prior to conducting expert interviews, and prior to the development of the survey questionnaire, were confined to two case examples of urban development projects: one in the city of Johannesburg and the other in Gauteng province.

1.7 DEFINITIONS OF SELECTED CONCEPTS
For the purpose and the context of this study, the following concepts are defined in this study as follows.

**Critical success factors**: a collection of every knowledge, attitude, skill, and activity that is absolutely essential for the success of the management of project stakeholders and all stakeholder related matters within the confines of a project.

**Framework**: a constitution of comprehensive and coherent principles, agreements, and rules that provide a basis or an outline for the development of stakeholder-management plans and processes for individual and unique urban development projects.

**Project**: A temporary and unique endeavour that is constrained in terms of scheduled time, budgeted cost, and prescribed scope – to deliver a unique prescribed outcome performing according to scope.

**Project life cycle**: Five phases through which a project metamorphoses; these phases are sequential, yet iterative; and they are: initiation; planning; execution; monitoring and control; and closing.

**Project management**: This comprises all knowledge, attitudes, and managerial skills and activities employed in human and non-human resources in a collective effort for ensuring that a project is concluded on scheduled time, within budgeted costs, and that it delivers an outcome that meets the prescribed performance scope.
**Project manager:** an individual or a group who employs project management knowledge, attitudes, managerial skills and activities on human and non-human resources in a collective effort to ensure that a project is concluded within the scheduled time, within budgeted costs, and delivers an outcome that meets the prescribed performance scope.

**Projects practitioner:** An individual who plays any of the following role(s) in projects: project manager, project engineer, project architect, programme manager, portfolio manager, or any other significant role within the management of projects.

**Product scope:** The features and functions, but only those features and functions, which characterise the project outcome.

**Project scope:** The work, but only that work, which needs to be accomplished to deliver the project outcome.

**Project success:** A project’s long-term gains and/or interventions, which, to be accepted, have to enhance the socio-political, socio-economic and socio-ecological wellbeing of the project stakeholders.

**Stakeholder:** all individuals, groups, or communities who affect or are affected directly and/or indirectly by urban development projects’ work and/or outcomes.

**Internal stakeholders:** All stakeholders within the organisation that undertake a project; and these include: project sponsors, project managers, project-team members, and other employees.

**External stakeholders:** All stakeholders outside the organisation that undertake a project; and these include: communities, interest individuals and groups, as well as other organisations.

**Stakeholder management:** The management of project stakeholders and all stakeholder related matters within the confines of a project.
Urban development: Public initiatives and programmes, mostly implemented through infrastructural development, aimed at the improvement of urban life and enabling economic growth.

1.8 ABBREVIATIONS USED

The following abbreviations are used in the study:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AA</td>
<td>Automobile Association</td>
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<td>ACPM</td>
<td>Association of Construction Project Managers</td>
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<td>APMBOK</td>
<td>Association of Project Management Body of Knowledge</td>
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<td>APMSA</td>
<td>Association for Project Management South Africa</td>
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<tr>
<td>BRIC</td>
<td>Brazil, Russia, India, and China</td>
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<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China, and South Africa</td>
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<tr>
<td>BRT</td>
<td>Bus Rapid Transit</td>
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<td>BSI</td>
<td>British Standards BS6079-1:2002</td>
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<td>CCPM</td>
<td>Candidate Construction Project Manager</td>
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<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
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<td>COSATU</td>
<td>Congress of South African Trade Unions</td>
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<td>CPM</td>
<td>Critical Path Method</td>
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<td>CSF</td>
<td>Critical Success Factor</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>DA</td>
<td>Democratic Alliance</td>
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<td>DG</td>
<td>Director General</td>
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<tr>
<td>EFA</td>
<td>Exploratory Factor Analysis</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>ESA</td>
<td>Ethics, Standards and Accreditation</td>
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<td>EVA</td>
<td>Earned Value Analysis</td>
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<td>FIFA</td>
<td>Federation Internationale de Football Association</td>
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<td>G-20</td>
<td>Group of Twenty (major economies)</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GFIP</td>
<td>Gauteng Freeway Improvement Project</td>
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<td>GJRTC</td>
<td>Greater Johannesburg Regional Taxi Council</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>GSM</td>
<td>Great Mekong Sub-regional economic cooperation framework</td>
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<td>IPMA</td>
<td>International Project Management Association</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>JDA</td>
<td>Johannesburg Development Agency</td>
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<td>MMC</td>
<td>Kaiser–Mayer–Olkin</td>
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<td>MSA</td>
<td>Measure of Sampling Accuracy</td>
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<td>NIC</td>
<td>Newly Industrialised Country</td>
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<td>NIE</td>
<td>Newly Industrialised Economy</td>
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<td>NMMU</td>
<td>Nelson Mandela Metropolitan University</td>
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<td>NTA</td>
<td>National Taxi Alliance</td>
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<td>OBS</td>
<td>Organisational Breakdown Structure</td>
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<td>OS-PMBOK</td>
<td>Open Source Project Management Body of Knowledge</td>
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<td>PAC</td>
<td>Programa de Aceleração do Crescimento</td>
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<td>PCM</td>
<td>Project Cycle Management</td>
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<td>PERT</td>
<td>Project Evaluation Review Technique</td>
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<td>PM</td>
<td>Project Manager / Management</td>
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<td>Project Management Body of Knowledge</td>
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<td>Project Management Institute</td>
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<td>Project Management Institute – South Africa</td>
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<td>PMO</td>
<td>Project Management Office</td>
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<td>PMP</td>
<td>Project Management Professional</td>
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<td>PMSA</td>
<td>Project Management South Africa</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>PrCM</td>
<td>Professional Construction Manager</td>
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<td>PrCPM</td>
<td>Professional Construction Project Manager</td>
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<td>PRINCE2</td>
<td>Projects In Controlled Environments 2</td>
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<td>RDP</td>
<td>Reconstruction and Development Program</td>
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<td>RFA</td>
<td>Road Freight Association</td>
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<td>RRA</td>
<td>RailRoad Association</td>
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<tr>
<td>SABOA</td>
<td>South African Bus Operators’ Association</td>
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<td>SACO</td>
<td>South African Commuters’ Organisation</td>
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<tr>
<td>SACPCMP</td>
<td>South African Council for the Project and Construction Management</td>
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<td></td>
<td>Professionals</td>
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</table>
1.9 IMPORTANCE OF THE STUDY

The impetus behind stakeholder management in the mid-1980s was “to try and build a framework that was responsive to the concerns of managers who were being buffeted by unprecedented levels of environmental turbulence and change, because traditional strategy frameworks were neither helping managers to develop new strategic directions, nor were they helping them to understand how to create new opportunities in the midst of so much change” (Freeman & McVea, 2001: 1).

Stakeholder management theory is a relatively young segment of management theory (Simmons & Lovegrove, 2005). Many scholars believe it has been around for about 26 years – these are Freeman disciples. The complexities involving some stakeholder groups, or part of a stakeholder community in contemporary volatile urban development projects, like the Johannesburg BRT Rea Vaya project and the Gauteng Freeway Improvement project present management science with an opportunity to learn and acquire or derive new knowledge that could advance, strengthen, and grow stakeholder management theory.

There should have been lessons learnt in the conceptualisation and consultation process in the Taxi Recapitalisation programme of the Department of Transport, but this does not seem to be the case, as only government policies or strategies related to the Taxi Recapitalisation have been researched recently. However, there is no
evidence of scholarly research on the stakeholder management aspect of the Taxi Recapitalisation.

The Taxi Recapitalisation and BRT programmes may be fundamentally different; but there are overlaps and commonalities in these two programmes, primarily because they are both products of the White Paper on National Transport Policy of 1996, and because the minibus taxi industry is a common denominator in the two programmes. However, the most important factor is that they are both urban development projects. According to Mwangi (2003: vi), the term “stakeholder engagement” has gained increasing prominence over the last few years in a variety of contexts. As already alluded to, this research interrogated stakeholder management from the project management context. But it was balanced against, and drew comparisons from, the articulation, implementation, practice, theorisation in other managerial contexts.

The study, consequently, had the potential to contribute to the existing knowledge in the theory and practice of project management.

1.10 OUTLINE OF THE STUDY
The framework of the thesis is made up of eight chapters.

Chapter 1: The problem and its setting
This chapter describes the research problem issue, and provides an overview of the setting of the study.

Chapter 2: The state of urban development in South Africa
This chapter provides a synopsis of the state (programme, importance, and challenges) of urban development in South Africa and the background to the socio-political, socio-economic, and socio-ecological setting and significance of the study.

Chapter 3: Managing projects
This chapter provides a background to the managerial practice and profession salient aspects of the study – mainly from various project management theories, commentaries, and practice standards of project
management associations that are the custodians of the project management practice.

Chapter 4: Stakeholder management theory and classical models
This chapter provides the core theoretical basis for the study – by critically reviewing various stakeholder management theories and classical models, as expounded by various authoritative stakeholder management scholars.

Chapter 5: Research methodology and design
This chapter provides the research-philosophical position, the research design, and the research process. This is followed by gathering and analysing the empirical data to reach the research key findings and recommendations.

Chapter 6: This chapter provides a theoretical model to improve stakeholder management in urban development projects in South Africa.
It creates a theoretical space for the study in the fraternal literature; it justifies the use of CSFs’ approach in the development of a theoretical framework; and it develops a theoretical model to improve stakeholder management in urban development projects in South Africa – through CSFs identified from the existing literature, contextualising the CSFs through a limited qualitative study (interviews with internal and external stakeholders in two volatile urban development projects), and confirming the CSFs through a second limited qualitative study (interviews with expert project management academics and practitioners).

Chapter 7: Empirical results and key findings
This chapter provides a detailed analysis and interpretation of the empirical data, a discussion of the key findings, and linking practice to theory – mainly on respondents’ stakeholder management practice; views on stakeholder management key issues; ranking and
prioritisation of CSFs; and the exploration of CSFs underlying dimensions and relationships.

Chapter 8: Conclusions and recommendations
This last chapter provides comprehensive research outcomes and outcomes of the study – by providing conclusions, according to the study objectives, managerial recommendations, value of the study, and further research recommendations.
CHAPTER 2: THE STATE OF URBAN DEVELOPMENT IN SOUTH AFRICA

2.1 INTRODUCTION

The study is about the management of stakeholders in urban development projects. The primary objective of the study is to improve stakeholder management in urban development projects in South Africa. The first secondary objective of this study is to investigate the influence of various stakeholder management critical success factors (CSFs) on stakeholder management success in urban development projects. These CSFs are identified through the literature review against the background of: (1) the state (programme, importance, and challenges) of urban development in South Africa; (2) the management of projects – the concept and practice; and (3) the theory and models of the stakeholder management concept.

This chapter provides an overview of the state (programme, importance, and challenges) of urban development in South Africa. This is done primarily by reviewing the urban development theory. Because of the macro-economic significance of urban development, and also because South Africa is a member of BRICS, for strategic economic reasons, the state of urban development in BRICS fraternal countries is explored. Finally, the programme, significance, and challenges of urban development in South Africa are explored.

This chapter serves as a precursor to the identification of stakeholder management CSFs; however, it is also aimed at providing a background to the socio-economic and socio-political significance of the study.

2.2 URBAN DEVELOPMENT CONCEPT

Urban development is a prevalent concept in the present-day world; and it is understood in conceptual terms and applied in concrete terms contextually, that is – even though the phrase and the concept have been around for a while – there is no definite or absolute definition for it. However, the urban development concept itself is very significant in the present-day world, and it touches various aspects of human life – social, politics, economics, and ecology.
It is so significant that the World Bank has a dedicated a unit for urban development, named: Urban development and local government (Hoornweg, 2010; Lipman & Rajack, 2011). Even though in many countries urban development programmes are embedded in various government departments and ministries, there is a significant number that have dedicated urban development ministries. For example, Bhutan, Cameroon, Egypt, Ethiopia, Germany, India, Mexico, Monaco, the United States of America, and Yemen.

2.2.1 Urban development – multi-disciplinary perspectives
The urban development concept is skeletal; and it is infused with contextual connotation whenever it is used. By and large, the urban development concept is understood to refer to the development of cities or urban areas for the purpose of improving the quality of life in the cities and putting in place an adequate infrastructure to stimulate or enable economic growth – these purposes being pursued under the constrained space.

Lately, the environmental protection or preservation aspect has been added to the space constraint, hence the so-called sustainable urban development. The definition of urban is also contentious. Cohen (2004: 25) attests to this by stating that the study of urbanisation and city growth is contentious mainly because the precise definition of urban is also a contentious concept. Cohen (2004: 25) also states that there is no unique answer to what defines an urban area. Urbanisation is gradually characterising the development of the present-day world; but despite this phenomenon, its precise definition remains contentious.

The yardstick used in determining urbanisation differs from one country to another. In some countries administrative boundaries are used as a yardstick in defining urbanisation. In contrast, in other countries population density and/or population size is the premise for determining whether an area is urban or not (Cohen, 2004: 25). Culture is one of the causes of these differences, as suggested by Cohen (2004: 25), because culture differs from one country to another.
Wang and Li (2008: 29) state that urbanisation in general, and the evolvement of cities in particular, is a function of social and political transformation, and economic growth. Many cities across the world, in recent years, have undergone enormous development that has translated into an unprecedented increase in urbanisation. Also the fact that the world economy is more globalised than confined within individual countries has led to a tremendous increase in urbanisation. These recent geopolitical and socio-economic changes, their magnitude and character, have had the biggest influence on contemporary urbanisation (Wang & Li, 2008: 29).

Strzelecka (2008: 243) states that the European Union’s policy on urban development has a bearing on the current understanding of the urban development concept. The EU’s urban development policy has a dual aim: to develop cities with self-sustaining economies and competiveness; and to develop cities that engender the improvement in the quality of life for its citizens (Strzelecka, 2008: 243).

Strzelecka (2008: 244) further states that policies are targeted at various sectors of city life and/or urban development; and these sectors are mainly: infrastructural development; economic growth; citizens’ social wellbeing; the promotion and retention of the cultural heritage; and sustainable development that takes into account the preservation of the environment. Also, the question of space – or spatial analysis and planning – is critical in the perpetuation of urban development in general, and in improving the quality of life in particular (Strzelecka, 2008: 244).

Hassanain and Al-Saadi (2005: 73) explain the concrete aspect of urban development from the perspective of the growth of urbanisation in Saudi Arabia. Saudi Arabian cities have experienced massive urban development in the past thirty years that has, at its core, infrastructural development and service-delivery improvement programmes for the cities’ residents (Hassanain & Al-Saadi, 2005: 73). These are some of the implicit connotations of the urban development concept.

As a result of the divergent views on what urban development entails, there are various conceptualisations, and consequently definitions. The definition of urban development is informed by the context under which it is viewed. The following are
some discipline-specific or contextual definitions of the urban development concept advanced by various scholars.

In the study on forested wetlands, Ainslie (2002: 488) defines urban development as an overuse and covering of the land through infrastructural development products (such as houses, roads, factories, office blocks, power stations, telecommunication facilities, et cetera) and public amenities (such as public parks, sports fields, et cetera). This definition of urban development has a socio-ecological influence. The undertone in this definition is the environmental impairment that is brought about by urban development products.

In their study on cultural theory, Kagan and Hahn (2011: 13) define urban development as the outcome of a spatial contestation between the perceived benefit and the actual deprivation; and also as the annexation of symbolic public areas, which could lead to the fragmentation of social groups. This is a definition of urban development with a cultural and creative-arts influence. These scholars view urban development as an impediment to cultural diversity and artistic engagement.

In their study on territorial planning, Carter and da Silva (2001: 349) defined urban as action which results in the division of a parcel of land into plots, in an urban or rural area, to be sold immediately or subsequently, and to be used for building houses, commercial or industrial establishments. This is a definition of urban development with an urban and town-planning influence. This definition puts the emphasis on the element of organisation – the organisation of land used for urban development products.

In the study on urban development theories, Vayrynen (2010: 41) defines urban development as an activity that includes the stages both preceding urban planning and succeeding it – thus it starts from the visions and goals for a new area and includes the stages of urban planning, building design and construction, and also the maintenance and use of the new area. This is a definition of urban development, which seeks to give a holistic view of urban development; however, its architectural influence is evident.
In their study on urban households’ energy consumption patterns, Permana, Perera and Kumar (2008: 4287) define urban development as evident development and spatial growth necessitated by city life, and by the activities of people living in the cities. This definition of urban development has an environmental preservation influence, with the depletion of non-renewable resources being the undertone implied in phrases like “physical and spatial growth” and “human activities”.

In the context of this study, urban development refers to government initiatives and programmes, mostly implemented through infrastructural development, aimed at the improvement of urban life for citizens, and facilitating economic growth for the country.

2.2.2 Urban development – tri-systematic perspective

According to Cheng, Masser and Ottens (2003: 2), urban development is fundamentally about spatial growth (physical expansion) through development from rural to urban; it is however also about land utilisation (functional changes) through major activities that bring about change in urban areas. Any attempt, through any system, to define urban development should, therefore, be based on these two basic urban development elements – space and activity (Cheng et al., 2003: 3).

From this premise, Cheng et al. (2003: 3) define urban development as a systemic outcome or an urban-growth system that is derived from a complex collaboration of three sub-systems: a developed urban sub-system; a developable non-urban sub-system; and a planned urban sub-system (Cheng et al., 2003: 3). The developed urban sub-system refers to a societal system viewed from its economic perspective. The developable non-urban sub-system refers to an environmental system viewed from its ecological perspective.

The planned urban sub-system refers to a spatial system viewed from the perspective of spatial analysis, planning, and utilisation. Urban development should not be viewed from its planning and implementation aspects only. There are three other significant aspects: the socio-political, socio-economic, and socio-ecological aspects. Urban development is invasive in character because it has a tendency to
interrupt stability. The process and the outcome of urban development engender, not only a physical change in an established social setting, but they also influence post-urban development activities in an established social setting.

Also the process and the outcome of urban development can interfere with an established economic practice and value – for better or for worse. Ecological landscape, and at times ecological wellbeing, is affected by the process and the outcome of urban development invasion. Urban development may have a single goal, but its effects can be multi-faceted.

According to Cheng et al. (2003: 4) and Che’Man and Timmermans (2010: 7), urban development consists of five aspects or factors or levels that are interconnected: policy, actor, behaviour, process and pattern. Where policy is the highest and the most influential of the five, and it is the major force, as it is the guideline and the framework in urban development. The next aspect, actor, is the embodiment of behaviour and/or activism in urban development, and it is the second most influential factor. Behaviour is the next influential factor and it refers to the actual actions of the activists or actors in urban development. Process refers to the execution that produces urban growth. Pattern, at the lowest level, refers to the artefacts or the products of urban development that are observable.

Thus, urban development modelling is a stepwise model consisting of these five steps: from pattern, process, behaviour, actor, to policy level (Cheng et al., 2003: 4).

In following the prescripts of hierarchy theory, each factor should be understood on the basis of its predecessor and successor, because each factor is influenced by its predecessor, and it influences its successor – the model components are intertwined (Cheng et al., 2003: 4). For example, the process aspect should be analysed and/or understood from its pattern and behavioural perspectives. A pattern is the artefact of a process; whereas behaviour is the determinant or influencer of a process.

According to Cheng et al. (2003: 4), urban development utilises land and/or space in varying degrees depending on the magnitude of the investment, the size and the duration of the project; and the size of the community of actors involved. The
utilisation levels on one side yield massive products, such as: factories, office blocks, power stations, telecommunication facilities, transport networks, et cetera. In contrast, the utilisation levels on small-scale projects produce small-scale products such as: a house, a corner shop, a church building, et cetera.

As a result, the utilisation of land and/or space, depending on the scale thereof would yield outcomes with different levels of socio-political, socio-economic, and socio-ecological value. Urban development is effected through large and small projects, which yield structures and/or systems – large or small – that change the physical space and impact social, economic, and/or the environmental status of communities.

According to Cheng et al. (2003: 6), urban development is the increase in the number of structures that are developed from the exploitation and/or the utilisation of non-urban resources. It is largely determined by the scale of economic growth intentions balanced with ecology-friendly policies (Cheng et al., 2003: 6). Put more precisely, it is determined by the balance in the collaboration of urban growth sub-systems: developed urban sub-system; developable non-urban sub-system; and planned urban sub-system.

For example, when a developable non-urban sub-system is not a strong collaborator in the urban growth system, arable land could diminish. That is, urban development initiatives could also do harm (to the society, economy, and environment), over and above their intended good, if they are planned (planned urban sub-system) without taking into account their possible impact on social and economic stability (developed urban sub-system) and spatial and ecological stability (developable non-urban sub-system). Therefore, urban development initiatives are beneficial if the impact on the three sub-systems is sensibly and equally collaborated, instead of dominating each other.

Usually, it is the primary objective of an urban development initiative (planned urban sub-system) that dominates or becomes implemented at the expense of the socio-economic (developed urban sub-system) and the socio-ecological (developable non-urban sub-system) imperatives.
2.3 URBAN DEVELOPMENT IN BRICS COUNTRIES

BRICS is an informal grouping of five emerging and developing economies, the so-called newly industrialised economies (NIEs) or newly industrialised countries (NICs), comprising: Brazil, Russia, India, China, and South Africa. South Africa is the latest addition to what was formerly BRIC, having been accepted as a member in April 2011 (Afriscan, 2010: 1; SABC News, 2011: 1; XYX Today, 2011: 1). However, prior to South Africa becoming a BRICS member, it already had diplomatic and economic collaboration with two BRICS members, India and Brazil, through a formation called IBSA, short for India; Brazil; and South Africa (De, 2005: 1; Dubbelman, 2011: 4; Flemes, 2009: 402).

BRICS member countries feature in the list of twenty of the world’s most industrialised and developing economies, the group of twenty, so-called G-20 nations (G-20, 2011; Nelson, 2010: ii).

South Africa’s joining BRICS is of strategic and economic importance to South Africa; and it should benefit South Africa in its economic growth-path programmes (Badasie, 2011; Matoti, 2011). A lot has been written, by world-market commentators and economists, on the importance of BRIC, and by extension BRICS, in the world economy (Badasie, 2011; Lettieri, 2009; Matoti, 2011; Orsi, 2010; Thakurta, 2009; Yusheng, 2011). Table 2.1 below provides the profiles of the BRICS countries.
Table 2.1. Profile of BRICS countries

<table>
<thead>
<tr>
<th></th>
<th>Brazil</th>
<th>Russia</th>
<th>India</th>
<th>China</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (km²)</td>
<td>8,514,877</td>
<td>17,098,242</td>
<td>3,287,263</td>
<td>9,596,961</td>
<td>1,219,090</td>
</tr>
<tr>
<td>Population</td>
<td>203,429,773</td>
<td>138,739,892</td>
<td>1,189,172,906</td>
<td>1,336,718,015</td>
<td>49,004,031</td>
</tr>
<tr>
<td>Population growth rate</td>
<td>1.134%</td>
<td>-0.47%</td>
<td>1.344%</td>
<td>0.493%</td>
<td>1.1%</td>
</tr>
<tr>
<td>GDP (Purchasing Price Parity)</td>
<td>$2.19-trillion</td>
<td>$2.23-trillion</td>
<td>$4.05-trillion</td>
<td>$9.87-trillion</td>
<td>$527.5-billion</td>
</tr>
<tr>
<td>GDP growth rate</td>
<td>7.5%</td>
<td>3.8%</td>
<td>8.3%</td>
<td>10.3%</td>
<td>3%</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>$10,900</td>
<td>$15,900</td>
<td>$3,400</td>
<td>$7,400</td>
<td>$10,700</td>
</tr>
<tr>
<td>Fitch credit ranking</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Urbanisation</td>
<td>87%</td>
<td>73%</td>
<td>30%</td>
<td>47%</td>
<td>62%</td>
</tr>
<tr>
<td>Literacy rate</td>
<td>88.6%</td>
<td>99.4%</td>
<td>61%</td>
<td>91.6%</td>
<td>86.4%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>7%</td>
<td>7.6%</td>
<td>10.8%</td>
<td>4.3%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: adapted from Dubbelman (2011: 5)

BRIC countries, and by extension BRICS countries, are recognised mainly by their rapid economic growth; as a result, urban infrastructural development features prominently in the economic programmes of these countries because urban infrastructural development is one of the key aspects in economic growth (All Business, 2010: 1; Calderón & Servén, 2004: 25; Demurger, 2001: 95).

Another common feature of the BRICS countries is that opportune urban development is being necessitated by their hosting of three successive FIFA World Cup Championships. The Russian Prime Minister, Vladimir Putin, attested to this by stating that holding the 2018 FIFA World Cup Championship in Russia would promote the active development of the infrastructure in the European part of Russia (VR, 2010). South Africa hosted the FIFA World Cup Championship in 2010; Brazil and Russia are to succeed South Africa by their hosting of the successive 2014 and 2018 editions, respectively.

The FIFA World Cup Championship is known for its urban development contribution through the legacy of urban infrastructure that is necessitated by the hosting of the event (All Business, 2009; Burns, 2011; Harrison, 2010).
The nature, characteristics, and state of urban development in BRICS countries are explored in the subsequent subsections of this section. This is done, in order to highlight the significance of urban development in South Africa’s economic fraternal countries. This is also to give credence to this study goal of which is to improve stakeholder management in urban development projects in South Africa by highlighting the importance of urban development, and by association, the importance of urban development projects.

An overview of the status of urban development in BRICS countries, as discussed in the subsections hereunder, points to an urban development backlog. That is to say, the current state of urban development in BRICS countries is not conducive to the countries’ projected, desired economic growth, and the social wellbeing of their citizens. China is, however, is an exception; it has made significant progress in urban development in the past decade.

### 2.3.1 Urban development in Brazil

The urban population of Brazil currently stands at 177 million, which amounts to 87 per cent of the total population of the country (Dubbelman, 2011: 5). Urban development and urban development programmes fall under the jurisdiction of the Ministry of the Cities in Brazil (Osterhaus, 2010). However, urban development in Brazil has recently been modelled around Public-Private Partnerships (PPPs) that target the private sector as a partner with the State in Brazil’s urban development projects (All Business, 2009; LBC, 2010).

According to BMI (2008), Brazil is the 9th largest economy in the world; and it is counted among the economies that exhibit a high growth rate. Brazil's growth-acceleration programme (Programa de Aceleração do Crescimento – PAC) launched in 2007 is aimed at taking advantage of its abundant mineral resources, agricultural land, and agricultural products as strategic areas for economic growth (BMI, 2008). The PAC is about urban development programmes, such as the building of transport major nodes, the development of the transport network, the prevention of national highways decay, the development of power-generation facilities, the building of houses, and the provision of essential services to citizens – particularly poor
communities (BMI, 2008). The increase of the middle class in Brazil’s population is putting pressure on scarce and underdeveloped infrastructure, such as transportation and energy distribution (Harrison, 2010). Energy supply has recently been identified as a major weakness in Brazil’s surging economy; and one of its aims is growing the economy even further (Harrison, 2010).

Reporting on the state of Brazil’s urbanisation in 1980, Cintra (1980: 213) stated that one of the most visible facets of Brazil’s development in the three decades preceding his report has been the growth of her cities, at all levels of the urban hierarchy. However, three decades later, in 2010, the State has somewhat regressed. According to Burns (2011); Holmes (2010); and LBC (2010), Brazil has been surpassed by fellow Latin American countries like Peru and Mexico in urban development, and also by two fellow BRICS countries: India and China – over the last two decades. This has detrimental implications for Brazil’s economic growth and poverty alleviation programmes.

Poor urban development is harming Brazil’s economic growth. Brazil has a potential growth rate that is higher than its prevailing 7.5 per cent per annum (Dubbelman, 2011: 5).

According to All Business (2009); Burns (2011); and Harrison (2010), Brazil will have to accelerate its infrastructural-development programmes if it is to meet the needs of the expected visitors for the two forthcoming world events that it will be hosting: the football world cup in 2014 and the Olympic Games in 2016. In 2007 Brazil, through the PAC, budgeted $800 billion for the subsequent five-year period on urban development, with the energy sector requiring about half of that total budget (All Business, 2009; Harrison, 2010).

Brazil has planned a number of urban development projects, one of them being the $18 billion high-speed train project linking two major cities, Rio de Janeiro and Sao Paulo. This is projected to be completed in time for the forthcoming world events that Brazil will be hosting (Harrison, 2010). This is similar to the Gautrain in South Africa, a high-speed train linking Sandton in Johannesburg and the OR Tambo International
airport, which became operational ten days before the start of the football world cup that was hosted by South Africa in 2010.

Stakeholder participation in urban development projects is legislated in Brazil under the law called “Estatuto da Cidade” on urban development planning of 2001 (Osterhaus, 2010). Under this law, municipalities are compelled to involve the civil society in the setting up of urban development master plans that are revised every ten years (Osterhaus, 2010).

2.3.2 Urban development in Russia
The urban population of Russia currently stands at 101 million, which amounts to 73 per cent of the total population of the country (Dubbelman, 2011: 5). Urban development and urban development programmes fall under the jurisdiction of the Ministry of Regional Development of the Russian Federation (GRF, 2011). As with Brazil, the growing interest in Public-Private Partnerships (PPPs) as a source of funding projects, particularly in St. Petersburg, shows that Russia is moving in the right direction (Owens, 2011).

Russia is the 11th largest economy, by nominal GDP, in the world; it is the seventh largest economy, by purchasing power, in the world; and geographically, it is the largest, by square kilometres, in the world (Daily News, 2011; Soviet Roulette, 2011). Just the size, population, and natural resources alone should make Russia one of the most attractive investment countries in the world, but slow political and legal reform has meant that Russia still remains an uncertain place to do business (Owens, 2011).

According to Owens (2011), there are many ambitious urban development projects in Russia, which will not be realised because the basic infrastructure is not yet in place. Russia has plans for urban development, which are potentially excellent, and could really work, except for the fact that the investors and developers have never really considered the drivers for their projects. In the rush to build and develop, investors have never considered, for example, what would motivate someone to want to live,
say, 10 km from the ring road – when there is no metro connection – and the dual carriageway road is overcrowded for 14 hours per day.

According to EN (2011), Russia has an underdeveloped transportation infrastructure. Transport infrastructure remains a major problem in Russia; and this needs to be solved, in order for some of the more ambitious projects to really work (Owens, 2011). Moscow, the capital city, is the main hub of Russia’s transport system, particularly for all transport routes that support Russia’s economy. Russia’s commercial and freight transport is mainly rail-based; 90 per cent of commercial goods are transported through the rail system. However, this is not adequately integrated to international transport systems.

The rail network in Russia is by far the largest in the whole world, mainly due to the vastness of the country; and it comprises 150 000 kilometres of rail lines. Of this total, 85 000 kilometres is the total length of electrified rail line. China is second with 24 000 kilometres, and Germany is third with 21 000 kilometres of electrified rail line (IR, 2008). In contrast, the road-freight system is underdeveloped – with the roads not built for accommodating heavy trucks travelling long distances (EN, 2011).

According to the vice president of the Russian Railways, for Russia to meet its needs of transporting 100s of million tons of freight each year, about € 49 billion (at 2010 prices) has to be invested in its railway infrastructure development by the end of this decade (RI, 2010). According to IR (2008), the deputy chairman of the Russian Federal government, Alexander Zhukov, stated that there is a need for an investment and an accelerated urban development programme aimed at the entire Russian transport network that is inclusive of all transport modes – rail, road, air, and sea.

The Russian Prime Minister, Vladimir Putin, making reference to Russia being awarded the right to host the football world cup in 2018, stated that with 13 Russian cities being involved, a massive urban development programme – aimed at infrastructural development – prior to the hosting of the event, is necessary. This requires a lot of effort in the development of the Russian transport infrastructure – wider and better roads, high speed trains, bigger airports, adequate train stations, et cetera (VR, 2010).
The aim, with this planned massive urban development, is to revitalise the entire infrastructure on the European part of Russia – for a successful hosting of the forthcoming world event (VR, 2010).

2.3.3 Urban development in India

The urban population of India currently stands at 357 million, which amounts to 30 per cent of the total population of the country (Dubbelman, 2011: 5). Urban development and urban development programmes fall under the jurisdiction of the Ministry of Urban Development in India (Urban India, 2011). As it is becoming a trend, also among BRICS countries, India is also planning to fund some of its urban development projects through Public-Private Partnerships (PPPs), especially the ones planned to be implemented during the next five years (Jagran, 2011a; Jagran, 2011c; Jagran, 2011d; SCA, 2011).

Urban development in general and infrastructural development in particular, is central in India’s ambition of achieving a GDP growth rate exceeding 10 per cent. India is aware that adequate infrastructure is imperative for a high growth-rate economy (Jagran, 2011a). According to Jagran (2011a), the transport network and the energy generation are two critical urban development areas in which India still lags behind; and these require a dedicated infrastructural development fund.

According to a senior Fitch Ratings official, India’s 2011 infrastructure debt rating had a favourable outlook; and this has mainly been due to its ongoing urban development projects in transport, energy, and basic services for citizens (Jagran, 2011b). The senior Fitch Ratings official also stated that India is currently one of the largest infrastructural development projects markets in the world – with the number of project-based SPV estimated at 800 (Jagran, 2011b).

According to SCA (2011), India’s infrastructure development, aimed at accelerating its economic growth and increasing its presence in international trade, was estimated at $47 billion for the 2011/2012 financial year. India’s President until July 2012, Pratibha Patil, recognised that for India, as a fast-growing economy, to sustain and/or increase its economic growth there is a need to invest an estimated one trillion
dollars in its urban development programmes (Jagran, 2011e). New Delhi, India’s capital city, also needs to invest heavily in urban development programmes, and aims to raise half of the capital required from the private sector through PPPs (Jagran, 2011e).

According to Jagran (2011c), India has an ambitious portfolio of major urban development projects that are currently under way, and some of those are still in the pipeline. A few of these are: the Delhi-Mumbai Corridor Project; the new industrial model township and villages; the Food Park; the IT Park; the 135 km-long Kundli-Manesar-Palwal expressway (to connect Haryana with the important parts of South, West, and East India); the Metro rail to reach Gurgaon, Faridabad, and Bahadurgarh; the Indo-Japan Centre; the Indo-Japan Township.

### 2.3.4 Urban development in China

The urban population of China currently stands at 628 million, which amounts to 47 per cent of the total population of the country (Dubbelman, 2011: 5). Urban development and urban development programmes fall under the jurisdiction of the Ministry of Housing and Urban-Rural Development (formerly the Ministry of Construction) in China (Hong, 2011; USCBC, 2011).

According to Sahoo, Dash and Nataraj (2010, 3), China’s economy is the fastest-growing in the world; and China has a population size approximately one fifth of the world’s entire population. Investment-led economic growth underpinned by aggressive domestic savings is one of the central and effective factors characterising China’s current phenomenal economic growth (Sahoo et al., 2010: 3). Not to be outdone by aggressive domestic savings, a massive urban development at unprecedented levels has contributed immensely to China’s global competitiveness and to its sustained high economic growth (Sahoo et al., 2010: 3).

Chuan (2007, 85) also concurs that the backbone of China’s export-oriented economy is its massive investment in enabling urban and infrastructural development. The main features of China’s investment in massive urban...
development are strategic programmes aimed at poverty-reduction and the conquest of international trade markets (Chuan, 2007: 85).

According to Chuan (2007: 85), China’s urban development, used to sustain its economic growth, features major infrastructural development projects across the board, such as: The transport network system, energy generation and distribution, adequate infrastructure connecting China with other countries, and international markets. China’s value chain is highly developed, and it is integrated with its downstream suppliers and upstream customers. China’s transport system has improved tremendously in recent years: the quality of their roads is world class; the rate of highway construction is unprecedented; the passenger transportation is adequately meeting the demand; and the transportation of cargo via the roads has also improved (Chuan, 2007: 86; Kim & Nangia, 2010: 4).

According to Chuan (2007, 86), and Kim and Nangia (2010, 4), China’s transportation milestone achievements at the end of 2005 were as follows:

- The length of the entire rail network was 75 000 kilometres; this number included 25 000 kilometres of double-tracked rail and 20 000 kilometres of electrified rail.
- The number of rail passengers was over one billion.
- The passenger turnover was over half a billion.
- The cargo turnover grew by over one tenth.
- China’s civil airline came second to the United States, as the world’s largest air transportation system.
- China’s internal waterways transportation capacity increased by half, with the average transportation capacity per ship doubling, and its freight capacity by sea rising to the fourth position worldwide; and that accounted for seven per cent of the world’s freight by sea.
- The energy-generation capacity was growing at about 13 per cent per annum.
- The gas and oil pipelines reached 44 000 kilometres increasing the piping capacity by about 70 per cent since the year 2000.
- China opened international roads at more than 60 border gates and 140 routes for passengers and cargo with the neighbouring countries.
• China entered into ten bilateral transportation agreements with its neighbouring countries.
• China, as one of the member states of the Shanghai Cooperation Organisation, facilitated the Asian road network transportation cooperation agreement among governments within the GSM framework.
• China established a primary network of transportation corridors, made up of the Guangxi International Corridor, the Asia-Europe Continental Bridge, and the Yunnan International Corridor.

2.3.5 Urban development in South Africa
The urban population of South Africa currently stands at 30 million, which amounts to 62 per cent of the total population of the country (Dubbelman, 2011: 5).

Urban development programmes in other countries are organised within a single government structure: comprising dedicated urban development ministries in this instance. In South Africa, the urban development policies and programmes are embedded in the mandates of various ministries, according to each ministry’s jurisdiction competence. The following urban development programmes are planned and executed within their respective function departments:
• Transport infrastructure-related urban development programmes – the Department of Transport.
• Energy infrastructure-related urban development programmes – the Department of Energy.
• Housing-related urban development – the Department of Human Settlements.
• Communication infrastructure-related urban development programmes – the Department of Communication.
• Water infrastructure and environment-related urban development programmes – the Department of Water and Environmental Affairs.
• General infrastructure and major construction-related urban development programmes – the Department of Public Works.
However, the urban development mandate aspects of these ministries are coordinated through the infrastructure development cluster. Government ministries constituting the infrastructure development cluster are: Communications; Cooperative Governance and Traditional Affairs; Economic Development; Energy; Finance; Human Settlements; Public Enterprises; Public Works; The Presidency; the National Planning Commission; Transport; Water and Environmental Affairs (SAGI, 2010).

The broad mandate of the infrastructure development cluster is to build the social and economic infrastructure of the country (SAGI, 2010).

In the South African context, the urban development concept is explained and clarified through the intentions of the Urban development Framework (UDF) document (DoH, 1997). The UDF captures the reality of the South African geopolitical and socio-economic situation in articulating its urban development programme and intents by stating, in its preamble, that urban development is a means to urbanisation. It defines urbanisation as the basis for social and economic progress realisable through engendering literacy and education; engendering democracy, equity, and equality; and improved service delivery to the citizenry (DoH, 1997: i).

Furthermore, it captures the reality of the South African socio-political situation by stating that past political policies of separation – like the influx control, the group areas act, and the separate amenities act – rendered the urban settlements and infrastructure of certain sectors of the South African population extremely dysfunctional and unsustainable (DoH, 1997: i). The UDF proceeds to map the way forward by stating that the wellbeing of the South African cities and towns is critical to the South African economic aims and the improvement of its citizens' social lives.

As a result these cities need to be well-developed to fit the purpose of having adequate infrastructure for economic growth and for better living conditions for citizens. The UDF also states that just over half of the South African population is already urbanised; and this trend is growing at approximately 5 per cent per annum. Urban towns and cities account for 80 per cent of the country’s GDP. The wellbeing of urban towns and cities is critical to South Africa’s economy, as well as the

Urban development in South Africa has four major aims: (i) Integrating the city; (ii) improving housing and infrastructure; (iii) promoting urban economic development; and (iv) creating institutions for delivery (DoH, 1997: v).

Donaldson (2001: 1) provides more clarity on the urban development in South Africa by stating that the post-1994 government’s programme of redressing the urban development ills of the pre-1994 era is encapsulated in the RDP (Reconstruction and Development Programme) policy document. The RDP is a framework policy document; and other policy documents, like the UDF, are based on its pronouncements. Donaldson (2001: 1) uses the UDF in discussing the South African urban development, specifically the contemporary urban spatial structures in the South African towns and cities.

### 2.4 URBAN DEVELOPMENT PROJECTS IN SOUTH AFRICA

The South African government has identified the expansion of digital services, water, electricity, and transport infrastructure as essential to drive economic growth and provide jobs for its citizens (Zuma, 2011; Zuma, 2012). These goals are to be addressed through the collaboration of various national government departments under the infrastructure development cluster of the South African government (Ndebele, 2011). The infrastructure development cluster is the grouping of South African government ministries that are responsible for State urban development projects. Unlike in other countries where urban development projects are implemented within dedicated ministries – for example the Ministry of Urban Development in India – in South Africa, individual urban development projects are implemented within specialist ministries.

Local government, through metropolitan and district municipalities, also carries out micro-scale urban development projects in their respective local areas. These are aimed mainly at bringing essential services to local residents. This is enabled through the Local Government Transition Act, 1996 the basis of which is the introduction of
the “integrated development plans” concept at municipal, metro or district, level that are directly linked to municipalities’ budgets (DoH, 1997: 14).

In his 2012 state-of-the-city address, the executive mayor of Johannesburg, Councillor Parks Tau, spelled out various urban development projects for the city, from urban-regeneration projects, housing projects, transportation projects, low-carbon-infrastructure projects to water supply infrastructure projects (Tau, 2012: 1). Also in his 2012 state-of-the-city address, the executive mayor of Tshwane, Councillor Kgosiensotso Ramokgopa, presented a R82 million budget for infrastructure projects in the city of Tshwane for the fiscal year 2012.

These projects ranged from the Nellmapius Clinic extension project, the H.M. Pitje Stadium Precinct project, the non-motorised transport phase-2 project, the Refilwe Business Node project, the Nellmapius Skills Development Centre project, the Nellmapius Recreational Centre project, the Stanza Bopape Library IT Centre project to the Tsamaya Activity Spine project (Ramokgopa, 2012: 1).

The mandate of the infrastructure development cluster (to build the social and the economic infrastructures) is necessitated by four (4) key challenges identified by the government. These key challenges are: insufficient and inadequate infrastructural network; uncompetitive environment and weak regulation; lack of infrastructural maintenance and refurbishment; operational inefficiencies (Ndebele, 2011).

As a result of these four (4) key challenges, according to SAGI (2011), as at 2011, the priority urban development projects in South Africa are:

- The Energy Efficiency Programme – its purpose is to deal with the problems of electricity supply;
- The National Infrastructure Maintenance Strategy – its purpose is to improve infrastructure and to underpin the sustainability of services, in order to contribute to economic growth and long-term jobs;
- The Bus Rapid Transit System (BRT) – its purpose is to provide an efficient bus transport system linking different parts of cities;
- The Contractor Incubation Programme (CIP) – its purpose is to support small contracting enterprises;
• The Taxi Recapitalisation Programme – its purpose is to replace old, unsafe taxis with new vehicles;
• The Breaking New Ground housing delivery plan – its purpose is to replace informal settlements with sustainable human settlements.

In 2011, the urban development projects, to be implemented over a four-year period, are budgeted at just below one trillion rands (R846 billion), with the building of new power-generation facilities accounting for about 65 per cent (R549 billion) of the total budget (Mahabane, 2011; Ndebele, 2011). Eskom, the South African power generator, is expected to complete the building of the Kusile and Medupi power stations by 2017. The flagship bus rapid transit (BRT) in Johannesburg has cost R7.9 billion; and its rollout to the major cities in South Africa is expected to cost even more per city.

The first phase of the recently unveiled Gauteng Freeway Improvement Project (GFIP) was budgeted at R21.7 billion in 2009 (SANRAL, 2009: 32).

2.5 IMPORTANCE OF URBAN DEVELOPMENT PROJECTS IN SOUTH AFRICA

According to Sahoo et al. (2010, 3), the role of urban development, and specifically infrastructural development, as an economic growth and social progress vehicle has been well documented in the literature. Urban development is a major and an integral factor of economic growth, particularly in developing economies (Sahoo et al., 2010: 3). According to Sahoo et al. (2010: 3), direct investment in urban development programmes like infrastructural development “creates: (i) Production facilities and stimulates economic activities; (ii) It reduces transaction costs and trade costs improving competitiveness; and (iii) It provides employment opportunities to the poor.

“In contrast, the lack of infrastructure creates bottlenecks for sustainable growth and poverty reduction” (Sahoo et al., 2010: 3).

The purpose of urban development projects in South Africa, as with those of other countries is twofold: social progress and economic progress (Cintra, 1980: 215; DoH,
1997; Menyashev & Polishchuk, 2010: 1; Pagonis & Thornley, 2000: 754; Sampaio, 2003: 3; World Bank, 2006: 4). Unlike many other countries, however, even though they have their own unique challenges, South Africa is a young democracy and has recently, in the past twenty years, returned to the mainstream global economy.

Because of the political past, for more than three hundred years of social development programmes in South Africa were an exclusive privilege for one section of the society with the other sections not being catered for in such programmes. Because of the political past, for about two decades South Africa was subjected to economic and cultural isolation by the international community. As a result, South Africa has a huge backlog with regard to the two general purposes of urban development projects – social progress and economic progress. Therefore, urban development projects in South Africa are mainly about redressing these legacy backlogs.

There is, consequently, a need to accelerate social-development programmes, particularly in the sections of the society that were neglected in the past. It is also necessary to play catch-up with other world economies that progressed while South Africa was in isolation.

South Africa is an emerging and developing economy, a so-called newly industrialised economy (NIE), or a newly industrialised country (NIC) in transition to becoming a fully-fledged developed economy (World Bank, 2010b: 1). As a consequence, urban development projects are a prominent feature in the national programme and agenda (World Bank, 2010a: 1). Actually, urban development projects are an unavoidable and inevitable imperative for any developing economy.

From this account of the important role of urban development projects, it is evident that the persistence of stakeholder management problems in South African urban development projects is not only a cause for concern for the project management profession, but it is detrimental to the progress of South Africa as a developing economy. Therefore, stakeholder management in urban development projects cannot be overemphasised. It is a critical aspect of these projects; and consequently, of the growth of the South African economy as a whole.
South Africa as an emerging economy has an ambition of rapidly climbing the world economy echelons; and it has a desire to be classified among the rapidly growing economies like Brazil, Russia, India, and China (the BRIC nations). During the year 2010 President Zuma visited the four BRIC nations; and judging by his pronouncements during these visits, made the South African intentions very clear: to be classified with the best world economies (Afriscan, 2010: 1; VAO News, 2010: 1).

However, these intentions cannot be attained by merely stating them, by visiting the BRIC nations, or by being admitted to BRIC, in order to expand it to the new BRICS (Brazil, Russia, India, China, and South Africa). There has to be evident rapid growth in the country’s economy for that intention to be realised. South Africa has since been formally admitted as a member of BRIC – now BRICS, subsequent to the admission of South Africa (Afriscan, 2010: 1; SABC News, 2011: 1; XYX Today, 2011: 1).

Urban infrastructural development is one of the key aspects in economic growth (All Business, 2010: 1; Calderón & Servén, 2004: 25; Demurger, 2001: 95).

During October 2010, President Zuma convened an extraordinary cabinet meeting to discuss, on the occasion of South Africa becoming a BRICS member, a new economic growth path. The main resolution of this meeting was the creation of six sectors identified as instruments of the proposed new economic growth path. The first and most important of the six sectors was identified as infrastructural development, through massive expansion of transport, energy, water, communications capacity, and housing (Ensor & Mkokeli, 2010: 1: Reuters, 2010: 1).

Urban-infrastructural development is achieved through urban development projects. There are, therefore, indirect economic spinoffs in improving stakeholder management in urban development projects. This could lead to improved urban development projects’ success rate, and the subsequent improvement in the rate of urban infrastructural development, which is an imperative for rapid economic growth, in general, and for the new South African economic growth path, in particular.
2.6 CHALLENGES OF URBAN DEVELOPMENT PROJECTS IN SOUTH AFRICA

Urban development projects, as is the case for every project, have process implications and product implications – that is, project scope and product scope, respectively. Process implications are those associated with the process of executing the project. Product implications are those associated with the products arising from project execution. The challenges of urban development projects in South Africa can be classified into these two types – some project challenges are the result of process implications, while others are as the result of product implications, as viewed by diverse stakeholders who are affected by and/or have interests in these projects.

Most, if not all, of the challenges faced by urban development projects are primarily because these projects are being implemented – mainly in already-established urban areas; and as a consequence, they disrupt urban life. Worsley (2011: 16 & 23), citing Herbemont, Cesar, Curtin and Etcheber (1998: 1), refers to urban development projects in South Africa as complex – and politically, environmentally, and socially sensitive projects. Worsley (2011: 22) also states that it is vital to understand political forces that are at play in urban development projects because the appreciation of the political dynamics is more critical than the project plans. This implies that it is not enough to have adequate technical plans; but it is also necessary that the understanding and handling of politically, environmentally, and socially sensitive issues be recognised as being vital.

According to Bredillet et al. (2012: 3), urban development projects in Africa, and by inference in South Africa, involve multiple stakeholders; and these multiple stakeholders have different and often divergent interests, as well as different power standings. Managing urban development projects in South Africa can be particularly complex given the involvement of multiple stakeholders and their historical, geopolitical, economic relationships, and cultural differences (Bredillet et al., 2012: 3). Urban development projects, because they are not implemented in a vacuum, but in an existing social, political, economic, and ecological order, tend to disrupt the social, political, economic, and ecological order. Most of the challenges faced by urban development projects occur as the result of affected stakeholders – because
the social, political, economic, and ecological order that gets disrupted is embodied in the stakeholders themselves and their interests and rights.

Probably, the only projects that are devoid of challenges are those implemented in uninhabited areas; however, these also may face ecological challenges, as they may be disrupting the existing ecological order. This was discussed in more detail in section 2.2.2 urban development – from a tri-systematic perspective.

Urban development projects – their processes and their products – because of their nature, tend to threaten the established socio-economic, socio-political, and socio-ecological equilibrium. By implication, stakeholder individuals, stakeholder groups, and stakeholder communities are affected, for the good or the worse, by urban development projects’ processes and/or products. South African urban development projects have faced serious stakeholder related challenges – some examples of which are stated below – and as a result, stakeholder management is a critical imperative if urban development projects are to be successful in South Africa.

Judging by the extensive negative media coverage, many of South African urban development projects exhibit poor stakeholder management. The Johannesburg Bus Rapid Transit (BRT) project was riddled with problems. Sporadic attacks on buses and commuters were reported (Rea Vaya, 2010b: 1; Schnehage, 2010: 1). Fear and anarchy characterised what was supposed to be a “fast, safe, and affordable public transport on a network of bus routes across Johannesburg” (Mashaba, 2010: 2; Mashaba & Xaba, 2010: 1).

It is also common knowledge that a key stakeholder in the South African public transport system, in the form of the minibus taxi industry, was unhappy with both the BRT concept and with the implementation of this urban development project (SANTACO, 2008: 1; SANTACO, 2009a: 1; SANTACO, 2009b: 1; SANTACO, 2009c: 1). The challenges in the Johannesburg BRT project are stakeholder related, and therefore, this is a stakeholder management issue.

Another recent case of a significant urban development project that has been characterised by stakeholder management problems is the Gauteng Freeway
Improvement Project (GFIP) (Makhafula, Mabuza & Xaba, 2011: 1; O'Sullivan, 2011: 1; SAPA, 2011: 1). Major political formations, the mini-bus taxi industry, business forums, road-freight associations, and private motorists have slammed the tolling aspect of the GFIP, citing lack of consultation with the road-users by the South African National Roads Agency Limited (SANRAL).

There is also another view that the high Gauteng toll prices would cancel out the economic benefit the new freeways would bring (Parker, 2011: 1; The Citizen, 2011: 1). The construction of the Kusile and Medupi power stations are other urban development projects that have experienced project work interruptions – due to stakeholder related issues – in the form of protests by the workers and environmental lobby formation, Greenpeace (Lourens, C. 2011: 1; Van der Merwe, C. 2011: 1).

The most recent in the myriad of stakeholder management challenges in urban development projects in South Africa is the protests by Hout Bay residents in Cape Town, accusing the Western Cape provincial administration of neglecting their views on the proposed tolling of Chapman’s Peak Drive and the construction of an office block on Chapman’s Peak (Gosling, 2012; Yield & Mama, 2012).

There are other examples of urban development projects in South Africa where there are rumblings by the stakeholders, and where stakeholder management has been questionable: the Taxi Recapitalisation programme (MGO, 2006: 1; Tsingo, 2006: 1), the forced relocation of schools in the construction of the Mbombela World Cup Stadium (SAPA, 2008: 1), the protests by residents of Adams Mission, near Amanzimtoti, over the construction of a multi-billion rand Transnet multi-product pipeline from Durban to Johannesburg (Mbonambi, 2010: 1): these are just some of the stakeholder management problems the country is currently facing in urban development projects.

2.7 SUMMARY

This chapter has provided an overview of the state (programme, importance, and challenges) of urban development in South Africa.
The urban development theory has been briefly reviewed. Even though there is no unanimous definition of urban development, however, by and large, the urban development concept is understood to be referring to the development of cities or urban areas for the purpose of improving the quality of life in the cities and putting in place an adequate infrastructure to stimulate or enable economic growth. Both of these purposes are being pursued under conditions of constrained space and environmental protection or preservation.

The state of urban development in BRICS fraternal countries was also explored because of the macro-economic significance of urban development, and also because of South Africa’s strategic membership of BRICS. An overview of the status of urban development in the BRICS countries, with the exception of China, points to an urban development backlog with a direct bearing on the countries’ economic growth and the social wellbeing of their citizens.

Stakeholder participation in urban development projects is legislated in Brazil; and municipalities are compelled to involve the civil society in the setting up of urban development master plans that are revised for all those affected every ten years. As it is becoming a trend, also among BRICS countries, India is also planning to fund some of its urban development projects through Public-Private Partnerships (PPPs) – especially those planned to be implemented during the next five years – for example, in the South African context, GFIP falls under this category.

Urban development programmes in other countries are organised within a single government structure. These comprise dedicated urban development departments in this instance, whereas in South Africa the urban development policies and programmes are embedded in the mandates of various departments according to the competence of each department’s jurisdiction; and they are coordinated through the infrastructure development cluster.

The programme, significance, and challenges of urban development in South Africa were also explored. Urban development in South Africa has four major programmes: (i) Integrating the cities; (ii) improving housing and infrastructure; (iii) promoting urban economic development; and (iv) creating institutions for delivery. The mandate of the
infrastructure development cluster (to build the social and economic infrastructure) is necessitated by four (4) key challenges identified by the government. These key challenges are: the insufficient and inadequate infrastructural network; the uncompetitive environment and weak regulation; the lack of infrastructural maintenance and refurbishment; as well as operational inefficiencies.

Because of the political past, for about two decades South Africa was subjected to economic and cultural isolation by the international community. As a result, it has a huge backlog with regard to the two general purposes of urban development projects – social progress and economic progress. Therefore, urban development projects in South Africa are mainly about redressing these legacy backlogs. South African urban development projects have faced serious stakeholder related challenges – examples being GFIP, Rea Vaya, Chapman’s Peak tolling.

Consequently, stakeholder management is a critical imperative if urban development projects are to be successful in South Africa. Judging by the extensive negative media coverage, many of South African urban development projects exhibit poor stakeholder management.

This chapter has provided the background to the state (programme, importance, and challenges) of urban development in South Africa, which is a precursor to the first research secondary objective of identifying stakeholder management CSFs for urban development projects in South Africa.

The next chapter will explore the management of projects – the concept and the associated practice.
CHAPTER 3: MANAGING PROJECTS

3.1 INTRODUCTION
The study is about the management of stakeholders in urban development projects. The primary objective of the study is to improve stakeholder management in urban development projects in South Africa. The first secondary objective of this study is to investigate the influence of various stakeholder management critical success factors (CSFs) on stakeholder management success in urban development projects. These CSFs are identified through the literature review against the background of: (1) the state (programme, importance, and challenges) of urban development in South Africa; (2) the management of projects – the concept and practice; and (3) the theory and classical models of the stakeholder management concept.

Chapter 2 provided an overview of the state (programme, importance, and challenges) of urban development in South Africa. This chapter provides an overview of the concept and practice of the management of projects. This is done primarily by reviewing the constitution of the projects concept. This is also done by reviewing the evolution of project management, its theoretical basis, and its contemporary practice. The critical concepts of the project management office and project success are reviewed.

Because this research is about the management of projects – even though its primary focus is the stakeholder management discipline within broader project management. For theoretical reasons, it is important to provide a generic overview of what project management entails prior to narrowing down the study to stakeholder-management specifics. This chapter is, therefore, a precursor both to the stakeholder management theory review and to the identification of stakeholder management CSFs that are essential in South African urban development projects.

3.2 PROJECT CONCEPT
Encarta dictionary defines a project as “a task or scheme that requires a large amount of time, effort, and planning to complete” (Encarta, 2001: 1160). At face value this definition eliminates those tasks or schemes that do not require large
amounts of time, effort, and planning. That is, it asserts that size is a primary characteristic of projects. The following review of academic and professional project management literature shows that such undertakings are projects in their own right – irrespective of the size or the amount of time, planning, and effort.

It is generally accepted by the projects practitioners and academia, that a project is primarily a temporary and unique endeavour that is constrained in terms of time, budget, and scope to deliver a unique prescribed outcome. The temporary aspect of a project implies that a project is, among other attributes, characterised by having a definite starting time and a finishing time. That is that projects are temporary organisations. Another significant characteristic of projects is that there are no two projects that are the same; each project is unique – unique in environment, objective, scope, activities, and/or outcome.

Yang, Shen, Ho, Drew and Xue (2010: 1) also state that no two projects are ever the same, citing Ibrahim and Nissen (2003). Projects are undertaken within a prescribed schedule timeline, budgeted cost, and scope or outcome performance. However, there are other variations of the definitions of projects that include other important aspects, like quality and risk. For example, Moe and Pathranarakul (2006: 398) state that projects, and project work in particular, is about delivering on the project requirements – comprising the traditional project requirements of scope, schedule, budget, but including other important project requirements like risk and quality.

It must also be clarified that all the variations are derived from the basic project definition stated above.

A project is usually contrasted against operations, where operations are defined as an organisational function performing the on-going (not temporary) execution of activities that produce the same product (not unique), or provide a repetitive service (not with a definite start and end) (PMBOK, 2008: 12). PMBOK (2008: 5) also defines a project as a temporary endeavour undertaken to create a unique product, service, or result. Slack, Chambers and Johnston (2004: 777) define a project as a collaboration of processes and activities with a prescribed beginning and finishing
time, which produce a predefined product or service within a prescribed set of human and non-human resources.

Slack et al. (2004: 559) also state that there are three different elements that define a project; and they are its objectives, its scope, and its strategy (strategy being how project management is going to meet its objectives). Kerzner (2006: 2) states that a project is a process of activities aimed at achieving a specific aim within prescribed specifications, timelines, budgetary constraints, human resources, other resources, and that cuts across organisational functional units.

Turner and Muller (2003: 1) define a project as a temporary structure. According to Turner and Muller (2003: 1), projects are executed with the aim of producing valuable change; and they consist of three fundamental characteristics: each project (1) is unique; (2) has its own unique approach; and (3) has a finite timeline. According to Turner and Muller (2003: 1), inherent in these three fundamental characteristics are three constraints and/or challenges: (1) projects, because of their uniqueness and unique approach, bear the characteristic of uncertainty; (2) projects are usually characterised by urgency; and consequently, are undertaken within tight timelines; and (3) project deliverables, eventually, need to be integrated into functional operations.

PMBOK (2008: 10) also states that projects are usually enablers of strategic goals within organisations. Strategic goals that can be enabled through projects cut across organisational considerations like: external market forces; emerging business opportunities; demands in technological advancement; bespoke customer requirements; and compliance with statutory requirements. Urban development is strategic for every country or government. It is strategic in a sense that it is a means for providing the required infrastructure to stimulate and support economic growth in a country. It is also strategic in a sense that it is a means for providing the required infrastructure to improve the lives of citizens of a country – housing, transport system, water and energy supply, amenities, et cetera.

By nature, urban development projects are utilised as a means of achieving countries’ or governments' strategic plans.
A programme is a set of projects that are collaborative and are undertaken in a manner such that their collective deliverables are complementary and address a single goal or a set of related goals (PMBOK, 2008: 9). In contrast, a portfolio is a grouping or a collaboration of (related or unrelated) projects and/or programmes and/or operations undertaken collaboratively to meet a specific organisational strategy (PMBOK, 2008: 8).

Therefore, in the context of this study (stakeholder management for urban development projects), a project is a temporary and unique endeavour that is constrained in terms of scheduled time, budgeted cost, and prescribed scope to deliver a unique prescribed infrastructure aimed at enabling economic growth and/or improving the lives of citizens and performing, according to scope, that is acceptable to all the stakeholders.

### 3.3 PROJECT MANAGEMENT EVOLUTION

Projects, and project management, have been around since time immemorial – albeit not in their current formalised form. The pyramids of Egypt and the Great Wall of China are usually thought of as projects of ancient times. The construction of cathedrals and ancient cities must have been undertaken by following some project management principles. These phenomenal structures must have started as ideas, which evolved into plans that were then executed by project teams. However, there is an agreement among project management scholars that it was only as recently as the middle of the 20th century that the present project management principles were formalised in the construction and engineering industries (Morris, 1994: 2; Kerzner, 2006: 37; Stretton, 2007: 3; Paton, Hodgson & Cicmil, 2010: 158).

The “new occupation”, as Paton et al. (2010: 158) refer to it, emerged in the execution of USA “major projects”, such as the Manhattan project and the Apollo space missions (Cicmil & Hodgson, 2006: 112). According to Kerzner (2006: 37), the utilisation of formalised project management principles gained momentum in the early sixties – particularly in the US aerospace and defence industries – and this
practice preceded what Kerzner (2006: 36) calls the “over-the-fence” management of projects.

On the “over-the-fence” management of projects concept, Kerzner (2006: 36) states that in the forties each functional manager would assume the project management role at some point in the organisational value chain. Each functional manager would assume the responsibility for the execution of work in his/her line function, and then would “throw the ball over the fence in [the] hope that someone would catch it”. Once the “ball” was thrown over the fence, the functional manager would be exempted from any responsibility for the project because the “ball” was no longer in his/her “yard”.

The next functional manager, in whose line function the “ball” happens to land would perform his/her part in the project, and then throw the “ball” over the fence. In case of project failure, the functional manager in whose line function the “ball” was at the time of failure would shoulder the blame. In similar vein Stretton (2007: 3), states that in construction projects, in the late fifties, the project engineer assumed the project management role in the early stages of the project; and then either the site superintendent or the construction manager would take over in the later stages of the project.

The construction of the Trans-Mountain Oil Pipeline, in the early fifties, in Canada, was the first project in which the manager actually functioned as the project manager − although they did not call it project management then − but “the approach and organisation was a forerunner of what was to become modern project management” (Stretton, 2007: 3). The recognition of the project management function as a dedicated role that is performed by an individual for the entire duration of the project was not easy, as the task was perceived to be cumbersome (Stretton, 2007: 3).

According to Morris (1994: 2), the evolution of modern project management is attributed to three areas: the development of systems engineering in the US defence/aerospace industry; and to engineering management in the process engineering industries; developments in the modern management theory, particularly in organisation design and team building; and the evolution of the computer, on
which project management’s planning and control systems are now generally run (Cicmil & Hodgson, 2006: 112).

However, Kerzner (2006: 36) attributes the evolution of project management to systems management. General systems theory prescribes a management approach that cuts across all functional areas within an organisation and still engenders effective management function; it is well known that the derivatives are: systems management, project management, and matrix management. As a result, today, project management is viewed as “applied systems management” (Kerzner, 2006: 36).

The following is a brief discussion of major milestones that contributed to the evolution of modern project management in the past six decades, decade by decade. However, the most notable contribution not only to modern project management, but also to operations management before the mid-twentieth century, was that of Henry Gantt (1861 – 1919). He is renowned for proposing a project scheduling and production-scheduling method, presently better known as the Gantt Chart (or bar-chart as it is sometimes known).

Numerous project management scholars regard Henry Gantt as the pioneer of the present day project management – due to his Gantt chart, which is widely used in project management practice, particularly in project scheduling and time management (Abdullah & Ramly, 2006: 2; Breton & Bézivin, 2000: 3; Soderlund, 2004: 184; Weaver, 2008: 6). According to Herrmann (2006: 5), Henry Gantt is uniquely identified with production scheduling as a means of creating innovative charts for production control.

Two project management planning techniques: the Critical Path Method (CPM); and the Project Evaluation Review Technique (PERT), which still form an integral part of present-day project management, played a pioneering role in the formalisation of modern project management in the fifties – even though they were developed independently (Jugdev, 2008: 180; Stretton, 2007: 4). CPM was developed by Morgan Walker and James Kelley, whereas PERT was developed by Admiral Raborn (Morris, 1994: 27 & 34; Stretton, 2007: 4).
The sixties saw the emergence of yet another project management technique, and the formation of the first two professional project management bodies. The Cost/Scheduling Control System Criteria (C/SCSC) approach was developed by the US government; and it was adopted as the primary project control tool in both the US Department of Defence (DOD) and the National Aeronautics and Space Administration (NASA) (Morris, 1994: 31; Stretton, 2007: 4).

The International Project Management Association (IPMA), formerly INTERNET, was formed in 1965, originally as a forum for European network planning practitioners to exchange knowledge and experience; and the Project Management Institute (PMI) was formed in 1969 (Stretton, 2007: 8). It was also during this era that Dr Martin Barnes coined the term ‘iron triangle’ – referring to the main project objectives of scope, time, and cost (Weaver, 2008: 5).

There were several seminal contributions to the advancement of project management in the seventies. It was during this era that organisational behaviour concepts, such as the management of human resources, team building, and matrix structure, made their way into project management (Cicmil & Hodgson, 2006: 112). It was also during the seventies that scheduling and cost-management techniques like the WBS, OBS, and EVA made their way into project management practice (Stretton, 2007: 11).

Further advances in modern project management occurred in the 1980s. This era experienced increased efforts to represent project management as a structured discipline and approach; one seminal example was the advent of PMI's PMBOK in 1986, replacing its predecessor PMI's ESA report of 1983 (Stretton, 2007: 13). PMBOK has had four editions to date, with the activities for the release of the fifth edition under way; and the highlight of the forthcoming edition is the addition of Stakeholder Management to the list of knowledge areas (PMI, 2011c).

The evolution of additional project management knowledge areas – that included the management of quality, communications, human resources, risk, and supplier contracts – and other significant concepts, like feasibility studies, emerged in the
eighties (Stretton, 2007: 16). Also the project management profession bodies introduced certification programmes for project managers in the eighties (Stretton, 2007: 16).

It was in the nineties that project management gained significant recognition – both as a profession and also as a necessary function within business operations. The focus and emphasis in the business sphere changed from the processes of implementing project management to expediting and spreading its organisation-wide usage (Kerzner, 2006: 43). Even on the education front, it was only in the nineties, that project management ceased to be a preserve of engineering and its related disciplines; but it began to emerge in other disciplines, like business and information technology (Cicmil & Hodgson, 2006: 113; Winch, 1996).

By and large, the 21st century modern project management has been about the consolidation of the gains of the nineties with advocacy on some quarters for the freeing of its body of knowledge. Whitty (2010: 183) states that for some time, there has been a call to make the PMBOK free (Giammalvo, 2007). Whitty (2010: 183) also suggests that there could be an Open Source Project management Body of Knowledge (OS-PMBOK), which should not be confined to a single project management structure, but should foster contributions from all project management bodies, forums, and individuals, so that it becomes sufficiently transparent and also becomes readily available freely.

Abdullah and Ramly (2006: 1) provide their view of the modern project management evolution with related and/or contemporary global phenomena as represented in Table 3.1 below.
Table 3.1 Abdullah and Ramly’s history of project management

<table>
<thead>
<tr>
<th>Technology</th>
<th>Management Science</th>
<th>Project Management &amp; Technology</th>
<th>Major Projects</th>
<th>Project Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 1958</td>
<td>* Telegraph</td>
<td>* Adam Smith</td>
<td>* Inter</td>
<td>* Focal point</td>
</tr>
<tr>
<td></td>
<td>* Telephone</td>
<td>* Frederick W Taylor</td>
<td>Continental</td>
<td>“proximity”</td>
</tr>
<tr>
<td></td>
<td>* First computer</td>
<td>* Henry Fayor</td>
<td>railroads</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Automobile</td>
<td>* Henry Gantt</td>
<td>* Hoover Dam</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Airplane</td>
<td>* McGregor’s XY theory</td>
<td>* Polaris</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* First database</td>
<td></td>
<td>* Manhattan</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>project</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* Panama</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Canal</td>
<td></td>
</tr>
<tr>
<td>1959 – 1979</td>
<td>* IBM 7090</td>
<td>* ISO</td>
<td>* Apollo 11</td>
<td>* Project-</td>
</tr>
<tr>
<td></td>
<td>* Xerox copier</td>
<td>* Total Quality Management</td>
<td>* ARPANET</td>
<td>Supporting</td>
</tr>
<tr>
<td></td>
<td>* UNIX</td>
<td>* Globalisation</td>
<td></td>
<td>Office</td>
</tr>
<tr>
<td></td>
<td>* Microsoft</td>
<td>* Quality Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>founded</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Wireless in-</td>
<td>* Risk Management</td>
<td>* Space Shuttle</td>
<td>Headquarter</td>
</tr>
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<td></td>
<td>building network</td>
<td></td>
<td>Challenger</td>
<td>* War Room</td>
</tr>
<tr>
<td></td>
<td>* First Internet</td>
<td></td>
<td>* The English-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>browser (MOSAIC)</td>
<td></td>
<td>France Channel</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>project</td>
<td></td>
</tr>
<tr>
<td>1995 – Current</td>
<td>* Internet</td>
<td>* Critical chain</td>
<td>* Iridium</td>
<td>* Virtual</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Enterprise Resource Planning</td>
<td>* Y2K project</td>
<td>Project Office</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>* Web-based</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Project Office</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Abdullah & Ramly (2006: 1)

3.4 PROJECT MANAGEMENT THEORY

The validity of project management as a scholarly theory has been a contentious issue among scholars. The predominant view is that the project management concept is more practice-based than it is a scholarly concept. Many scholars are of the view that it is a concept and practice that has developed outside scholarship and with limited scholarly influence; as a result it lacks scientific basis. Its development as a solid scholarly theory is still in its infancy, judging by divergent views of vast project management-scholarly literature.
Several scholars argue that project management is in its infancy when it comes to developing a theoretical foundation (Engwall, 2003: 792; Jugdev, 2008: 177; Kwak & Anbari, 2008: 10).

Literature on the validity – or the lack thereof – of project management as a scholarly theory can be categorised into three groups. One group provides a positive advocacy stance; this group of literature argues that project management is a valid scholarly theory. The second group provides a negative or counter-advocacy position; this group of authors hold the view that project management is not a valid scholarly theory. The third group provides an honest-broker approach; this group of scholars is of the view that project management is a perfectible theory, that is still in its infancy, it is not yet a fully-fledged scholarly theory; however, there are positive indications that efforts are being made to develop it into a valid theory.

In the project management theory debate, PMI’s PMBOK has featured in several publications – some arguing its role in the theorisation of project management – whereas others are questioning its bona fides as a premise for basing a scholarly theory (Koskela & Howell, 2002: 293; Lousberg, 2006: 40). PMBOK is a recognised standard for the project management profession; it provides guidelines for managing individual projects; and it defines project management and related concepts by describing the project management life cycle, related processes, and knowledge areas for the effective management of projects (PMBOK, 2008: 3).

Various project management studies argue for the validity of project management as a sound theory. Arguing for project management theory as having a solid scholarly base, Kwak and Anbari (2008: 10) state that project management practice of initiating, scoping, planning, executing, monitoring, and controlling project activities has evolved into a solid academic field with extensive theoretical and empirical research being undertaken by numerous scholars. Van der Merwe (2002: 411) states that project management has become an integral part of the management theory, in that it is recognised as the vehicle for implementing change (behavioural or functional) and for business process improvement.
Van der Merwe (2002: 411) further states that it is project managers who play the critical role of facilitating the improvement of human-behavioural processes and business processes. Koskela and Howell (2002: 295) justify the validity of project management theory by drawing comparisons between the scientific bases of operations management and the project management body of knowledge (PMBOK). Koskela and Howell (2002: 298) state that projects are just special instances of production. Koskela and Howell (2002: 298) argue that both operations management and project management owe their existence and theoretical bases to the transformation view or theory of production, which was the most prevalent production thinking in the entire twentieth century.

In turn, the transformation theory is premised on economics theory; and recently it has influenced numerous theories, with one example being Porter’s (1985) theory on the value chain. This view is also supported by Lousberg (2006: 41) in stating that after comparison with the theories of production management, Koskela and Howell (2002: 298) demonstrated that the underlying theory of projects is that a project can be defined as transformation: the transformation of inputs and outputs. In similar vein, the view provided by Turner and Muller (2003: 1) is that the organisational-theory perspective has been employed in the analysis of the project concept.

Turner and Muller (2003: 7) further state that from the organisational theory perspective, it is easier to research and develop projects theory (on the aspect of a project being a temporary organisation) than to research and develop the firm theory (on the aspect of a firm being a going concern). The temporary production function of a project does not only differentiate it from programmes and portfolio, but it also distinguishes each project as being of a certain size, and being allocated appropriate but limited resources to fulfil its purpose (Turner & Muller, 2003: 7).

Cicmil and Hodgson (2006: 113) state that the current increase in the preference of “the project” as a working mode of choice is due to the nature of “the project’s” versatility, flexibility, and predictability. In recent times, “the project” has gained the status of being a universal solution in unravelling complex operational problems and innovation initiatives within organisations (Cicmil & Hodgson, 2006: 113). The claim for projects as being practically effective and theoretically sound has been
strengthened by the recognition of projects, and by inference project teams, by the practitioners and the academia as unique economic and social processes on which the emerging "knowledge economy" heavily relies (Cicmil & Hodgson, 2006: 113).

There is also some literature that argues against project management being accredited the status of a valid theory, some stating that most descriptive research on the management of projects suffers from a weak theoretical basis (Engwall, 2003: 792; Jugdev, 2008: 180). Jugdev (2008: 180) argues that despite the areas of growth and development in the project management field, a search for academic papers specific to developing theory in project management was disappointing.

Furthermore, Cicmil and Hodgson (2006: 114) state that the project management body of knowledge has undergone huge improvements as a result of inputs from both the practitioners and intellectuals; however, it has been vilified from various scholarly quarters as not being theoretically sound. Current project management studies continue to show the disparity between its intellectual pronouncements and the effectiveness, or lack of, its practice and application – particularly the discontentment of projects principals and stakeholders with project performance and deliverables (Cicmil & Hodgson, 2006: 114).

However, there is also a counter-argument that the improvement of the project management body of knowledge (through empirical studies and pronouncements of expert practitioners) is necessitated by the same project failures; and as a result, the project management practice and theory can only improve (Cicmil & Hodgson, 2006: 114). According to Lousberg (2006: 40), the project management body of knowledge – in its current form and state – is weakened by deficiencies in its theoretical foundation; and if any improvement is to be realised, these deficiencies should first be addressed.

In search for theories that underlie the PMBOK, as described in the PMI's PMBOK Guide, Koskela and Howell (2002: 12) and Lousberg (2006: 40) conclude that anomalies that occur in the application of these underlying project management theories are regarded as strong enough for the claim that a paradigmatic transformation of the discipline of project management is required. Jugdev (2008:}
180) also argues that numerous project management textbooks focused on normative advice on planning and managing projects. This helped create a normative and rationalistic body of knowledge; but it does not reflect a theory of itself.

Some project management literature supports the development of project management into being a sound theory, even if it still falls short of being a full-fledged scholarly theory. Kwak and Anbari (2008: 2) state that there is an ongoing argument among management theorists and educationists (business scholars) on whether project management should be classified as an academic discipline or merely treated as a practice in the business space. Actually, business scholars are not convinced that project management is an academic discipline.

In contrast, scholars in the engineering field have long accepted and recognised project management as an academic discipline (Kwak & Anbari, 2008: 2). Soderlund (2004: 183) supports this view by stating that project management has been an integral feature in applied engineering and optimisation theory. Kwak and Anbari (2008: 2) also state that as a result of this standing argument within academia, project management features very little; and it is treated with scepticism in business-management academic programmes.

According to Kwak and Anbari (2008: 2), there have been some studies undertaken by project management researchers – notably that of Winter and Smith (2006) – aimed at repositioning project management and strengthening its scholarly standing. However, the outcomes of these studies were conceptual, and could not make the required impact on the broader management science community. According to Jugdev (2008: 177), project management is in its infancy when it comes to developing a theoretical foundation. He then proposed various approaches in the development of this theoretical foundation, and these approaches are discussed hereunder.

Firstly, Jugdev (2008: 178) argues that young disciplines tend to use theories from more established fields until they develop their own theoretical foundation. For example, strategic-management researchers draw from economics and use transaction-cost theory; and organisational-theory researchers use communication
theory to analyse group dynamics. Project management draws from the fields of social sciences, management, decision sciences, operations management, and engineering; nevertheless, it is a challenge to identify several clear theories for the discipline (Jugdev, 2008: 178).

Jugdev (2008: 178) further expands this argument by warning against confining the examination and the development of the project management theory only to contemporary and conventional methods of conducting research and of developing theory. This open-mindedness in project management theory is necessitated by the fact that project management falls at the interface of the social sciences and hard management sciences, such as operations and production management.

Bringing another perspective in his proposed approaches on the development of project management theory, Jugdev (2008: 182) states that just as there are multiple theories of organisational management and many mid-range theories, multiple theories of project management would also make sense; and due to contemporary doctrinal differences within the project management body of knowledge, it is inadvisable to anticipate or even project an overarching project management theory, citing Söderlund (2003: 186).

Just as management does not consist of a single theory, neither does project management, as it is too broad a field (Jugdev, 2008: 182). He also brings in the role that is played by professional associations in helping build the theoretical foundation for the discipline. He says there are currently a number of project management associations to support the discipline. Each association has developed a body of knowledge that it puts forth to its membership as being the “generally accepted” foundation for project management.

These associations are exemplary in consensually developing the bodies of knowledge with their members and seeking broad agreement on them. The bodies of knowledge help members develop a common understanding of standard terms within the discipline. Associations have also led the way by widely distributing their bodies of knowledge and using them for certification purposes (Jugdev, 2008: 184). However, Jugdev (2008: 185) clarifies his argument by stating that although there are
bodies of knowledge in project management, these are not the same as a theoretical knowledge base. Not only would it be advantageous for project management to develop one unified body of knowledge, but it would also be beneficial to have them articulate how such bodies of knowledge relate to project management’s theoretical foundation (Jugdev, 2008: 185).

There are also numerous scholars that acknowledge the need to strengthen project management’s theoretical base. Engwall (2003: 789) states that there is an increasing interest in scholarship on projects, and that interest is particularly on the projects’ aspects of being temporary organisations, and their contrasting elements to those embodied by traditional organisational structures. Engwall (2003: 791) states that the current project management body of knowledge is derived from outside the project management body of knowledge; it is derived from other management-science disciplines.

Current project management knowledge is also a practitioner-driven theory that has been developed from practical situations and scenarios in the implementation of various business and operational undertakings (Engwall, 2003: 791). Engwall (2003: 792) also states that the normative project management theory has a strong bearing on the development of project management research.

According to Engwall (2003: 792), in the quest to develop the project management theory, the project’s success and/or failure has undoubtedly been the most researched aspect within the project management body of knowledge. However, there has also been an increase in research focused on project management critical success factors, and also the best practice of the profession and its theory.

Cicmil and Hodgson (2006: 111) state that several prominent scholars (Koskela & Howell, 2002; Maylor, 2001; Morris, 2004; Morris, Patel & Wearne, 2000; Winch, 1996) have argued for unconventional theoretical methods in researching project management. This approach is necessitated by the notion that project management research is heavily based on the instrumental perspective of projects and organisations (Cicmil & Hodgson, 2006: 111).
As a result of this advocacy for open-mindedness in approaching project management research, there is a groundswell of researchers across various management disciplines who are gaining an interest in project management research (Cicmil & Hodgson, 2006: 112).

Soderlund (2004: 185) states that organisation scholars have commented on the term “project theory” – even though their understanding of the term and its connotation remains vague. There are numerous scholars who trace the origins of the “project theory” to the development of project management planning techniques, such as CPM and PERT (Soderlund, 2004: 184). There is also an argument among intellectuals that the “project theory” is no more than practical knowledge, and that it is normative in character (Soderlund, 2004: 184).

According to Lundin and Soderholm (1995: 437), mainstream organisation theory – which has been an established theory for a long time – holds the view that organisations are permanent structures; and as a result, theories on temporary structures are much less prevalent. However, temporary organisations and projects play a significant role in the present-day economic and social space; argue Lundin and Soderholm (1995: 437). Contemporary business initiatives for improving performance, processes, and for introducing changes are implemented through projects (Lundin & Soderholm, 1995: 437).

In some industries – construction, urban development, and information technology – a project organisation is a regular method of doing business. However, few aspects of projects (temporary structures) are very well understood in theoretical terms (Lundin & Soderholm, 1995: 437). Lundin and Soderholm (1995: 439), in differentiating permanent structures from projects, state that “temporary organisations are defined by four concepts – time, task, team, and transition (or change)”; while in contrast “permanent organisations are more naturally defined by goals (rather than tasks), survival (rather than time), working organisations (rather than teams), and production processes and continual development (rather than transition)”.
3.5 PROJECT MANAGEMENT PRACTICE

PMBOK (2008: 6) defines project management as “the application of knowledge, skills, tools, and techniques to project activities to meet the project’s requirements”. Kerzner (2006: 3) states that project management is an effort aimed at coordinating and facilitating the processes of project activities, like planning the activities, managing their execution, while monitoring and controlling their deviation from set baselines.

PMBOK (2008: 15) also states that the management of projects usually encroaches on areas and/or entities beyond the prescribed project environment. This latter assertion speaks directly to the context of urban development projects; and because such projects are invasive in nature, they impact on the socio-political, socio-economic, and/or socio-ecological stability of the environments in which they are implemented.

Arising from the definition already ascribed to a project in section 3.2 and the PMBOK (2008: 8) project management definition, project management constitutes all knowledge, attitudes, managerial skills, and activities employed in human and non-human resources in a collective effort to ensure that a project is concluded on scheduled time, within budgeted costs, and delivers an outcome that meets the prescribed performance scope.

As there is no urban development project management definition in the literature, the following urban development project management definition is deduced from the discussion of urban development in Chapter 2 and project concept in this chapter.

Urban development project management consists of all knowledge, attitudes, managerial skills, and activities employed in human and non-human resources in a collective effort to ensure that an urban development project is concluded on scheduled time, within budgeted costs, delivers an outcome that meets the prescribed urban development product, performing according to the scope that is acceptable to all the stakeholders, and ensuring that the established socio-political, socio-economic, and socio-ecological setting within which an urban development project is implemented are taken into consideration or mitigated.
The practice of project management, in general, is organised around standards that are prescribed by various project management associations. According to Lundin and Soderholm (1995: 444), these project management associations exist to fulfil the purpose of being custodians of the profession. These associations have codified the project management profession in a variety of prescribed books and educational material (Lundin & Soderholm, 1995: 444). Individual project management practitioners and organisations usually adopt the set of standards prescribed by an association to which they are affiliated, or whose standards they wish to align with their own practice.

Project management practitioners may choose to be certified by an association to which they are aligned, by meeting certified criteria set by an association and passing the association’s prescribed certification exam. However, the adoption of an association’s standards that are open and accessible to all, is not limited only to the affiliated and certified practitioners of an association. These standards are usually used by organisations in formulating organisational project management methodologies.

There are standards that are sometimes adopted “as is” and used as organisational project management methodologies; and PMI’s PMBOK is one such project-management guideline or standards manual (Zdanytė & Neverauskas, 2011: 1016). There are numerous project management associations within individual countries, and there are those that operate across many countries and internationally. The two oldest, well-known, and well-established international project management associations are IPMA and PMI, as stated in 3.3.

According to IPMA (2011: 1), “IPMA is an international network consisting of more than 50 national project management associations from all over the world”. As at December 2010, PMI had 334,019 members and over 412,503 active Project Management Professionals (PMPs) (Huether, 2011: 1). PMI’s Project Management Professional (PMP) credential is an internationally recognised “certification for project managers who demonstrate that they have the experience, education, and competency to successfully lead and direct projects” (PMI, 2011a: 1).
According to PMI (2011b: 1), PMI has more than 250 chapters in more than 70 countries worldwide, including one in South Africa”.

There is a general agreement among project management scholars and practitioners that PMI’s PMBOK guideline or standards manual is the most recognised, accepted, and used internationally (Andrade & Bernardes, 2009: 16; Chin, Yap & Spowage, 2010: 3; Crawford, 2005: 9; Ilies, Crisan & Muresan, 2010: 48; Lundin & Soderholm, 1995: 444; McHugh & Hogan, 2010: 3; Plemmons & Jones, 2007: 4; Zdanytė & Neverauskas, 2011: 1016). However, there is no agreement about which other associations’ guidelines or standards manuals follow PMI’s PMBOK with regard to international recognition and usage.

According to Ilies, Crisan and Muresan (2010: 48), the PMBOK and the PCM are both well-known guidelines; however, PMBOK has become an international standard. According to McHugh and Hogan (2010: 3), and Zdanytė and Neverauskas (2011: 1016), the two most commonly known methodologies are the PMI’s PMBOK and PRINCE2, developed by the Office of Government Commerce in the UK. According to Chin, Yap and Spowage (2010: 1), the five leading project management practices are the PMBOK, PRINCE2, APMBOK, IPMA, and the BSI.

These accounts are probably informed by the global location of each writer. However, the two most popular standards in South Africa are PMBOK and PRINCE2 (Khanya, 2011; VPMC, 2011).

Chin et al. (2010: 13) provide comparison elements of their five leading project management practices, as represented in Table 3.2 below.
Table 3.2 Comparison elements between five leading project management practices

<table>
<thead>
<tr>
<th>Comparison elements</th>
<th>PMBOK</th>
<th>PRINCE2</th>
<th>APMBOK</th>
<th>IPMA</th>
<th>BS6079-1-2002</th>
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</thead>
<tbody>
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<td>Knowledge area</td>
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<td>✓</td>
<td>✓</td>
<td>–</td>
</tr>
<tr>
<td>Project phases</td>
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<td>✓</td>
<td>✓</td>
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<tr>
<td>Project processes</td>
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<td>✓</td>
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<td>✓</td>
<td>–</td>
</tr>
<tr>
<td>Project types (Small, Medium, Large)</td>
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<td>M, L</td>
<td>M, L</td>
<td>M, L</td>
<td>L</td>
</tr>
<tr>
<td>Inputs</td>
<td>✓</td>
<td>✓</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Outputs</td>
<td>✓</td>
<td>✓</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Tools &amp; techniques</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Available templates</td>
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<td>✓</td>
<td>–</td>
<td>–</td>
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<td>✓</td>
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<td>–</td>
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<td>Hints and tips</td>
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<td>–</td>
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<td>–</td>
</tr>
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<td>Frequent update</td>
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<td>✓</td>
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<tr>
<td>Standard</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Accessibility (local &amp; international)</td>
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<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Ease of application</td>
<td>–</td>
<td>✓</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Flexible &amp; scalable</td>
<td>–</td>
<td>✓</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Industry applicable</td>
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</tr>
<tr>
<td>Traceability</td>
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<td>–</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Adoption level (High, Moderate, Low)</td>
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<td>H</td>
<td>M</td>
<td>M</td>
<td>H</td>
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<td>Certifications &amp; examinations</td>
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<td>✓</td>
</tr>
</tbody>
</table>

Source: Chin, Yap & Spowage (2010: 13)

Ilies et al. (2010: 48) also made a comparison between the PMBOK and PCM, as represented in Table 3.3.
Table 3.3 PMBOK versus PCM

<table>
<thead>
<tr>
<th></th>
<th>PMBOK</th>
<th>PCM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First publication:</strong></td>
<td>1987 - The Project Management Institute (PMI) published the PMBOK Guide;</td>
<td>First publication: 1992 - The European Commission (EC) adopted the “Project Cycle Management” (PCM). The first PCM manual was produced in 1993;</td>
</tr>
<tr>
<td><strong>Number of editions published:</strong></td>
<td>Four editions - The English-language PMBOK Guide - Fourth Edition was released on the 31st of December 2008;</td>
<td>Number of editions published: Three editions – The third edition PCM ‘Guidelines’ was released in 2004;</td>
</tr>
<tr>
<td><strong>Status:</strong></td>
<td>Guideline and at the same time an ANSI standard for project management;</td>
<td>Status: Guideline;</td>
</tr>
<tr>
<td><strong>Utilisation:</strong></td>
<td>United States of America and organisations from all over the world;</td>
<td>Utilisation: European Union and third countries, as PCM is a guideline used especially by the European Commission;</td>
</tr>
<tr>
<td><strong>Approach:</strong></td>
<td>The PMBOK Guide is process-based, meaning it describes work as being accomplished by processes;</td>
<td>Approach: PCM is based on the Logical-Framework method of analysis;</td>
</tr>
<tr>
<td><strong>Source:</strong></td>
<td>Ilies, Crisan &amp; Muresan (2010: 49)</td>
<td>Chin et al. (2010: 3) provide a picture of PMBOK’s comprehensibility, scalability, and robustness as a project management standard and methodology, by stating that PMBOK is a “comprehensive knowledge-based project management guide covering widely proven practices”. Most of the other methodologies that came after PMBOK are, to a certain extent, PMBOK derivatives or offshoots. PMBOK is also the most used and accessible project management standards guide because of its simplicity in structure and comprehensiveness in knowledge areas (Chin et al., 2010: 3).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ilies et al. (2010: 48) also attest to these views by describing PMBOK as a “collection of processes and knowledge areas generally accepted as best practice within the project management discipline”. PMI’s PMBOK is a widely recognised and utilised international project management standard, including in South Africa (Andrade &amp; Bernardes, 2009: 16; Chin et al., 2010: 3; Crawford, 2005: 9; Ilies et al., 2010: 48; Khanya, 2011; Lundin &amp; Soderholm, 1995: 444; McHugh &amp; Hogan, 2010: 3; Plemmons &amp; Jones, 2007: 4; VPMC, 2011; Zdanytė &amp; Neverauskas, 2011: 1016). The rest of this section is mostly PMBOK based.</td>
</tr>
</tbody>
</table>
According to PMBOK (2008: 13), the PMBOK Guide is a comprehensive project management standard incorporating processes and techniques for managing different types of projects on the basis of three project management pillars, which are: (1) identifying the requirements; (2) addressing the various needs, concerns, and expectations of the stakeholders as the project is planned and carried out; and (3) balancing the competing project constraints including, but not limited to: scope, quality, schedule, budget, resources, and risk.

The second aspect speaks directly to the primary objective of this study: to develop a stakeholder management framework to improve stakeholder management in urban development projects in South Africa. This study is necessitated primarily by the prevalence of stakeholder related problems in the implementation of urban development projects in South Africa; but also, more importantly, by the scholarly knowledge gap in the management of stakeholders, particularly external stakeholders, in urban development projects in South Africa.

All projects have stakeholders; however, urban development projects take on a different life compared with typical information technology (IT) projects and stand-alone and isolated construction projects – even though most urban developments are also construction projects by their nature. In other projects, there is little, if any, impact on external stakeholders; hence, project managers in such projects focus on limited groups of stakeholder groups, like the project organisation, the project sponsor and/or financier, the project team, and the product user.

Whereas, urban development projects are implemented within established socio-political, socio-economic, and/or socio-economic settings, the actual project work (project scope) and project outcome (product scope) changes – for better or worse – the socio-political, socio-economic, and/or socio-ecological environment in which such projects are implemented. As a result, the impact on external stakeholders – who are individuals, communities, and interest groupings in the project setting or environment – is usually huge. Therefore, managing urban development projects requires a paradigm shift, because the stakeholder focus is broader than it is in other projects.
PMBOK (2008: 15) captures this reality very well by stating that the management of projects usually encroaches on areas and/or entities beyond the prescribed project environment.

3.5.1 Project life cycle and phases
Because a project is a temporary organisation, and also because it is generally accepted in theory and practice that project management is a phased effort, the result is that a project has a life cycle (Kerzner, 2006: 66; Meredith & Mantel, 2003: 131; Moe and Pathranarakul, 2006: 398; PMBOK, 2008: 15). It is generally accepted that a project life cycle consists of five systematic phases or stages. The five phases or stages of a project life cycle are: initiation; planning; execution; monitoring and control; and closing or close-out.

These phases, though sequential, are not necessarily linear; for example, it is possible and permissible to revisit the planning phase during the execution phase whenever such a step is warranted during the project process. However, there are several deviations from this traditional project cycle view by various project management commentators.

Meredith and Mantel (2003: 131) describe another variant from the traditional view in stating that a project life cycle is a sequence of stages on the project path from origin to completion; and they are: conception; selection; planning, scheduling, monitoring, control; and evaluation and termination. The version advocated by Kerzner (2006: 66) lists the life-cycle phases as being: conception; planning; testing; implementation; and closure.

PMBOK (2008: 15) adopts a different view of a project’s life cycle; it defines a project life cycle as a “collection of generally sequential and sometimes overlapping project phases, whose name and number are determined by the management and control needs of the organisation”. These phases are treated as sub-projects, because each would then have a set of processes (initiating processes; planning processes; executing processes; monitoring and controlling processes; and closing processes), which in general terms, outside PMBOK, are regarded as project phases or stages.
Moe and Pathranarakul (2006: 398) provide yet another slight deviation from the traditional view by stating that project management is accomplished through: initiating; planning; executing and controlling; closing and completing.

According to PMBOK (2008: 15), a project life cycle is usually a function of organisation and industry type. The project life cycle should not be confused with or equated to a project plan; it is a framework for structuring project phases and major milestones, whereas the project plans merely specify the details. PMBOK (2008: 16) further states that even though projects differ from one another in size and complexity, all such projects can be mapped in the structure, as represented in Figure 3.1 - with the curve representing the consumption of funds and resources across the project’s life-cycle phases.

According to PMBOK (2008: 18), project phases are demarcated by phase gates within a project lifeline, in order to facilitate effective control and governance. Even though project phases are sequential and follow a logical path, they can iterate and
overlap when necessitated, by events and/or situations that unfold during the project lifeline.

3.5.2 Project management processes and knowledge areas

Project management practice, as an “application of knowledge”, is largely about the appropriate “application of knowledge” to project activities, and by inference, project processes. According to PMBOK (2008: 67), a process is a “set of interrelated actions and activities performed to achieve a pre-specified product, result, or service”. In PMBOK (2008: 67), processes have four components: inputs, tools, techniques, and outputs. Processes in PMBOK (2008: 67) are grouped into knowledge areas which, in essence, represent the key competencies that are required to manage projects effectively (Chin et al., 2010: 2).

According to PMBOK (2008: 68), project management processes are grouped into five process groups: initiating, planning, executing, monitoring and controlling, and closing. These project management processes are also spread or cross-tabulated across nine project management knowledge areas: integration, scope, time, cost, quality, human resources, communications, risk, and procurement. These knowledge areas are classified as either core or facilitative. The core knowledge areas include scope, time, cost and quality management; while the facilitating functions include human resources, communication, risks, and procurement management (Chin et al., 2010: 2).

The significance of stakeholder management in projects has become a global phenomenon. PMI, in the forthcoming PMBOK Guide 5th edition is expanding the list of facilitative knowledge areas to include Stakeholder Management (Draft PMBOK, 2012). The 42 project management processes are mapped into five project management-process groups, and the nine project management knowledge areas, as represented in Table 3.4.
### Table 3.4 Project management process groups and knowledge areas mapping

<table>
<thead>
<tr>
<th>Knowledge Areas</th>
<th>Project Management Process Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project HR Management</td>
<td>15. Develop HR Plan</td>
</tr>
</tbody>
</table>

Source: PMBOK (2008: 43)

#### 3.5.3 Project manager

Arising from the definition already ascribed to project management, a project manager is an individual or a group that employs project management knowledge,
attitudes, and managerial skills and activities on human and non-human resources in a collective effort to ensuring that a project is concluded on scheduled time, within budgeted costs, and delivers an outcome that meets the prescribed performance scope. As there is no urban development project manager definition in literature, the following urban development project manager definition may be deduced from the discussion of urban development in Chapter 2 and project concept and project management in this chapter.

An urban development project manager is an individual or a group that employs project management knowledge, attitudes, managerial skills, and activities employed on human and non-human resources in a collective effort to ensure that an urban development project is concluded on scheduled time, within budgeted costs, delivers an outcome that meets the prescribed urban development product, performing according to scope that is acceptable to all stakeholders, and ensuring that the established socio-political, socio-economic, and socio-ecological setting within which an urban development project is implemented is taken into consideration or mitigated.

The occupation of being a project manager is undergoing a rapid growth, as more and more organisations begin to realise the strategic significance of project management, and the role of project managers in enabling innovation and growth. PMBOK (2008: 13) defines a project manager as “a person assigned by the performing organisation to achieve the project objectives”. According to Turner and Muller (2003: 1), project managers are the CEOs of temporary organisations. Over and above their planning and executing responsibilities, they have leadership roles, like casting the vision and motivating team members.

Furthermore, as managers of agencies, project managers are the agents of the sponsor; and as a result, they are second in management command (Turner & Muller, 2003: 1). Crawford (2005: 7) states that there is an increase in demand for project managers, as organisations find more room for projects in introducing change, implementing new initiatives, and in re-engineering business processes.
A project manager is usually contrasted with a functional manager or an operations manager. According to PMBOK (2008: 13), the role of project managers is different, in many respects, from those of functional managers and/or operations managers. The functional manager’s area of focus is the line management of a line function. The operations manager’s role is confined to the line management of processes within organisational core business.

A functional manager is responsible for the management of a functional area, section, unit, or department, such as marketing, sales, production, operations, manufacturing operations, accounting operations, et cetera. As a consequence, a functional manager is a functional specialist; usually a qualified and/or experienced marketer would head a marketing department, a qualified and/or experienced engineer would head an engineering department. Similarly, a qualified and/or experienced accountant would head a finance department. Being specialists, they are analytically oriented and they understand the functional aspect of their sections or units within an organisation in detail, so that when a functional or technical difficulty arises within their respective sections or units, they know how to analyse it and approach it.

A functional manager would then be classified as a specialist. On the other hand, a project manager is usually a generalist. A project manager is required to manage projects that cut across various functional units, each with its own functional manager. A project manager requires the ability to put many pieces of a task together to form a coherent whole; that is, a project manager must be more skilled at synthesis (Meredith & Mantel, 2003: 120).

A project manager coordinates the efforts of many people in all the different functions of the organisation, and often outside it as well, who are involved in a project. Most of project managers’ activities are concerned with managing human resources (Slack et al., 2004: 556) and in communicating (PMBOK, 2008: 243).

Even though project managers are generalists, the most common access route to becoming a project manager is from other occupations/professions – that is, project managers usually start their careers in functional areas; for example, as engineers,
I.T. programmers, business analysts, accountants, marketers, et cetera (Paton et al., 2010: 160). As a result, the route to the project manager occupation is somewhat undefined. In certain instances, employers encourage some employees into project management; and they occasionally provide formal training and qualifications.

For the vast majority of the project managers, their training consisted of experiential learning supported by attendance at short courses (Paton et al., 2010: 160). The development of the project management profession is underpinned by certification programmes provided by project management associations and by dedicated project management training courses delivered by private and public educational institutions (Paton et al., 2010: 159).

3.5.4 Project scope

The Encarta dictionary defines scope as “the range covered by an activity, subject, or topic” (Encarta, 2001: 1299). A scope can refer to specified and demarcated activities of an effort, or the specified and demarcated characteristics of an object.

PMBOK (2008: 103) differentiates between a project scope and a product scope. Project scope refers to “the work, only that work, which needs to be accomplished to deliver a product, service, or result with the specified features and functions” (PMBOK, 2008: 103). On the other hand, product scope refers to “the features and functions, only the features and functions that characterise a product, service, or result” (PMBOK, 2008: 103).

Kerzner (2006: 406) states that the product scope refers to prescribed project deliverables; while the project scope refers to all the work that needs to be undertaken, in order to achieve the prescribed project deliverables. Slack et al. (2004: 560) state that the scope refers to the demarcation between what is prescribed, and what is not prescribed in terms of project activities and outcomes.

Therefore, in the context of this study, project scope refers to the work, only that work, which needs to be accomplished to deliver the project outcome; whereas,
product scope refers to the features and functions, only the features and functions, which characterise the project outcome.

### 3.5.5 Project risk

Project risk – the management of project risks – is one of the many facets of a project that determine the project’s success; and it is also a factor in all project success attributes, as discussed in section 3.6. Project risk is an uncertain event or condition that, if it occurs, has an adverse effect on the project success, that is, any of the project success attributes discussed in section 3.6 (Lambeck & Eschemuller, 2008: 21; PMBOK, 2008: 275).

Project risk exists the moment the project is conceived. It has its origins in the uncertainty present in all projects.

Project risks are usually identifiable at conception, inception, and during the course of implementation; however, there are project risks that may be unforeseen – until they occur. PMBOK (2008: 275) states that known risks are those that can be identified before they occur. Known risks can then be analysed; and response strategies (generally known as mitigation strategies) can be planned for known risks; and known risks can be monitored and controlled. However, there are risks that are unidentifiable, unknown risks; and these are planned for and mitigated by way of generic contingency plans.

Lambeck and Eschemuller (2008: 21) state that risk management has, in recent years, gained recognition as an important aspect of project management. The practice of risk management is necessary throughout the project lifeline, whether it is an urban development project, a construction project, or any project type and size. It is important that risk management be a structured set of processes and/or activities, particularly on large and complex projects, such as those of the magnitude and complexity of the South African urban development projects (Lambeck & Eschemuller, 2008: 21). Large and complex urban development projects, by inference, have inherently large and complex risks. As a result, the identification,
analyses, mitigation, and monitoring of project risks become more critical in such projects (Lambeck & Eschemuller, 2008: 21).

Therefore, in the context of this study, the risks of urban development projects refers to all those uncertain events or conditions, that may occur – as a result of dissatisfied project stakeholders’ action or inaction that could have an adverse effect on the success of urban development projects.

### 3.5.6 Project management office

The Project Management Office (PMO) is a significant concept and entity in the management of projects. The concept PMO takes on various names and connotations – in both scholarship and practice views. It is common to come across Project Management Office variations like: Project Office; Project Support Office; Programme Management Office; Portfolio Management Office; Project Management Group, Project Management Centre of Excellence, or Directorate of Project Management (Hill, 2004: 45; Julian, 2008: 43; Kwak & Dai, 2000: 2; Misner, 2008: 10).

However, these are all variations of the same function, differing only in the scope of their responsibilities (Hill, 2004: 45; Julian, 2008: 43; Kwak & Dai, 2000: 2; Misner, 2008: 10). According to Kaufman and Korrapati (2007: 1), there is a growing trend by organisations across all sectors in setting up PMOs for the purpose of ensuring custodianship of the management of projects in general, and for upholding the project management good practice in particular.

This is also indicative of the value organisations attribute to projects and their success (Kaufman & Korrapati, 2007: 1).

There are numerous definitions of PMO, and though different at face value, they are all more or less in the same vein, because they all emphasise PMO’s role of organising, coordinating, developing, and supporting project management efforts within organisations. Kwak and Dai (2000: 1) define the PMO as a resourced unit set up to support the organisational project management function. According to
Andersen, Henriksen and Aarseth (2006: 30), the PMO is an organisation-wide systematic coordination of key project-related activities.

Horita and Yashiro (2006: 5) define the Project Office or Programme Office as an organisational entity, where the administrative work of the project is conducted and usually headed by a project manager or programme manager. Horita and Yashiro (2006: 5) state that the PMO has a much bigger role compared with that of the Project Office or Programme Office, because the PMO, also as an organisational entity, is set up to support project managers, project teams, and even organisational management across line functions on all project related matters – be they of strategic, operational, or functional nature.

Misner (2008: 10), citing Gray and Larson (2006: 561), defines the PMO as a centralised unit within an organisation or department that oversees and improves the management of projects. According to PMBOK (2008: 11), the PMO is an “organisational body or entity assigned various responsibilities related to the centralised and coordinated management of those projects under its domain”.

PMOs serve differing purposes from one organisation to another, and this is usually informed by the maturity level of organisational project management. Several literatures discuss the purpose of PMO, the common theme expounded by all being that the general purpose of PMOs is organising, coordinating, developing, and supporting project management efforts within organisations.

Hill (2004: 45) states that many organisations implement the PMOs, in order to achieve the oversight of project management, and the control, support, and alignment. The PMO’s role is to help both the project manager and the relevant organisation (whether an entire enterprise, a business unit, or a department) to understand and apply professional practices of project management, as well as to adapt and integrate business interests into the project management efforts. Hill (2004: 48) also provides twenty PMO functions, as represented in Table 3.5.
| Practice Management                          | 1. Project management methodology  |
|                                            | 2. Project management tools        |
|                                            | 3. Standards and metrics           |
|                                            | 4. Project knowledge management    |
| Infrastructure Management                  | 5. Project governance              |
|                                            | 6. Assessment                      |
|                                            | 7. Organisation and structure      |
|                                            | 8. Facilities and equipment support|
| Resource Integration                        | 9. Resource management             |
|                                            | 10. Training and education         |
|                                            | 11. Career development             |
|                                            | 12. Team development               |
| Technical Support                          | 13. Mentoring                      |
|                                            | 14. Planning support               |
|                                            | 15. Project auditing               |
|                                            | 16. Project recovery                |
| Business Alignment                         | 17. Project portfolio management   |
|                                            | 18. Customer relationships         |
|                                            | 19. Vendor/contractor relationships|
|                                            | 20. Business performance           |

Source: Hill (2004: 48)

Hill (2004: 45) describes five stages of PMO capabilities along a competency continuum, as represented in Figure 3.2. Each PMO stage suggests a particular level of functional capability that the PMO would have achieved when the functions are fully implemented. The five PMO stages are also indicative of an organisation’s maturity in project management, with the PMO’s role and responsibilities advancing from project management oversight and control at the lower end of the competency continuum to strategic business alignment at the higher competency stages.
According to Hill (2004: 46), these five PMO stages represent a progressive competency and advancement of functionality that can be attained, in order to meet the needs of the project management environment and the associated business objectives of the relevant organisation. It is presumed that a higher-stage PMO has already achieved the competencies prescribed for any lower-stage PMOs. Thus, if an organisation wants to establish a Stage 3 standard PMO, it would also have to ensure it has first realised the competencies prescribed for Stage 1 and Stage 2 PMOs.

According to Kaufman and Korrapati (2007: 2), the PMO, as a corporate concept, faces several challenges. One of these challenges is the high expectations on what PMOs can deliver. It is usually hoped and expected that PMOs would be able to
solve the decades-long enduring challenge of high project failure rates. The other challenge is that the PMO is somewhat the “flavour of the month”; it is the latest “corporate buzz” from which consultants can expect to derive significant income, as it has been with other concepts like BPR, TQM, ITIL, MBO, Workflow Management, et cetera.

As with most of these other programmes (BPR, TQM, et cetera), the PMO is a strong and valid concept and could provide value to the enterprise if created and managed correctly (Kaufman & Korrapati, 2007: 3). Additionally, the success or failure of the PMO (and the changes it is mandated with providing) are driven and determined by the strength and success of the organisational management of the concept, rather than the strength of the concept itself, or the internal management of the PMO.

Kwak and Dai (2000: 3) also state that PMOs are not always well received or well respected across an organisation. Kwak and Dai (2000: 3) argue that there are mainly three reasons for the unfavourable views on PMOs; and they are:

- Simply being overhead, expensive, and unnecessary;
- Adding another layer of bureaucracy that would slow down business and consume resources; and
- Providing uncertain value, based on its costs to the organisation (hard to justify Return on PMO Investment).

PMBOK (2008: 12) contrasts the objectives and roles of project managers against those of the PMO. According to PMBOK (2008: 12), project managers and PMOs pursue different objectives; and as such, are driven by different requirements. The differences between the roles of project managers and those of the PMO may include:

- The project manager focuses on the specified project objectives, while the PMO manages major programme scope changes, which may be seen as potential opportunities to better achieve the business objectives.
- The project manager controls the assigned project resources to best meet project objectives; while the PMO optimises the use of shared organisational resources across all projects.
• The project manager manages the constraints (scope, schedule, cost, and quality, et cetera) of the individual projects; while the PMO manages the methodologies, standards, overall risk/opportunity, and interdependencies among projects at the enterprise level.

The stakeholder management framework developed through this research, therefore, falls under the custodianship of the PMO. The framework, as a project management standard, or as a part of project management methodology in urban development projects, can be effected more efficiently within a PMO setup, because it requires monitoring through a project governance mechanism – which is more in the domain (or interest) of the PMO than in that of the project manager.

### 3.6 PROJECT SUCCESS

Project success is a contentious issue that has not been resolved, as there are varied versions of what constitutes success in project terms; and this success debate is as unresolved among project management scholars as it is among project management practitioners. Project success means different things to different people (Chan & Chan, 2004: 204). In the early days, there was a school of thought that suggested that project success constitutes meeting the traditional constraints of a project: concluding a project within scheduled time, within budgeted cost, and delivering an outcome performance meeting the prescribed scope (Andersen, Birchall, Jessen & Money, 2006: 128).

Then later, there was a version that added quality, risk, and other prescribed deliverables (this is not necessarily the outcome) attributes to the success criteria. With the advent of stakeholder management, there is another view that says a project is successful only if it is successful in the view of all its stakeholders. Project success remains a subjective phenomenon – primarily because projects have different stakeholders with contending interests, and as a result, each stakeholder views project success through the filter of his/her narrow interest, but not according to the broader project intent (Nguyen, Ogunlana & Lan, 2004: 405).
Frodell, Josephson and Lindahl (2008: 23) also attest to the stakeholder view of project success by stating that the perception of project success is subjective, since what constitutes project success may not necessarily be viewed as success by other stakeholders. Bourne and Walker (2004: 227) advocate a stakeholder-based view of defining and ensuring project success in stating a two-pronged approach. Firstly, Bourne and Walker (2004: 227) state that the key for project success is to know how to identify who the key stakeholders are; and not only that, but more importantly, ensuring that their needs and expectations are well managed.

Lam, Chan and Chan (2007: 626) also state that project stakeholders hold different views of what constitutes project success – primarily because they have differing vested interests in the project; and as a result, poor management of these vested but conflicting interests makes it difficult to properly measure project success. Toor and Ogunlana (2009: 150) also attest to the stakeholder-based project success viewpoint by stating that there are diverse objectives of stakeholders that make it difficult even to agree upon a single comprehensive list of success factors.

In citing Lim and Mohamed (1999), Toor and Ogunlana (2009: 150) state that project success can be viewed from two levels: the micro- and the macro-level. The micro-view of project success refers to the subjective view of project success by individual stakeholders and/or role players (Toor & Ogunlana, 2009: 150). In contrast, the macro-view of project success refers to the holistic view – particularly in terms of project outcomes – usually confined to the domain of users and/or customers (Toor & Ogunlana, 2009: 150).

Andersen et al. (2006: 128) state that the contemporary notion of project success is that projects are more about the acceptance of the ultimate value they generate, be it economic, social, or environmental.

According to Engwall (2003: 802), project management success is, to a large extent, due to context-specific circumstances. Thus, a project management approach, or a technique that is successful in one project, under certain circumstances, might be a failure in a different project, or under different circumstances. Consequently, Engwall (2003: 802) supports the small, but growing, line of research arguing for a non-
universal, contingency approach to project management. Cicmil and Hodgson (2006: 116), as represented in Table 3.6, summarise different approaches to understanding project failure. They do this by distinguishing three perspectives and linking them to a wider domain of the project management process.

### Table 3.6 Perspectives on project success and failure

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Form of Organisational Behaviour and Action</th>
<th>Methodological Focus</th>
<th>Success and Failure Seen As</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rational / normative</td>
<td>Organisational goals: managerial and organisational structures surrounding the project</td>
<td>Simple cause and effect</td>
<td>Objective and polarised states</td>
</tr>
<tr>
<td>Processual</td>
<td>Organisational and socio-political processes; projects as form of a decision outcome</td>
<td>Socio-technical interaction</td>
<td>Outcomes of organisational processes</td>
</tr>
<tr>
<td>Narrative</td>
<td>Organisational and socio-political processes; symbolic action; themes</td>
<td>Interpretation and sense-making; rhetoric and persuasion; critical / hermeneutics</td>
<td>Social constructs; paradigms</td>
</tr>
</tbody>
</table>


According to PMBOK (2008: 37), the conditions for project success are:

- The selection of appropriate processes;
- The application of a good-practice methodology;
- Meeting the stakeholder needs and expectations; and
- Balance the competing demands of scope, time, cost, quality, resources, and risk to produce the specified product, service, or result.

According to Worsley (2011: 25), urban development projects are stakeholder sensitive projects; and they are the most complex of all. Urban development projects, as is also the case with other high-impact societal projects across the world, are frequently the least successful projects (Worsley, 2011: 25). To be successful in the
implementation of urban development projects on a human level, project managers have to adapt their approach. Merely using a blueprint and a fixed budget is not adequate and it is not appropriate (Worsley, 2011: 25).

Herbemont et al. (1998: 1), in concurring, state that it is the actions of real people, stakeholders, within the framework of a project, which leads to its success or failure. Herbemont et al. (1998: 1) further state that the focus of the project should be on these real people, the stakeholders, as it is they who make or break a project.

Therefore, in the context of this study, urban development project success refers primarily to meeting the project objectives (time, cost, quality, resources, risk, and scope that are acceptable to all the stakeholders); but also, more importantly, it refers to a project’s long-term gains and/or interventions, which, to be accepted, have to enhance the socio-political, socio-economic, and socio-ecological wellbeing of the project stakeholders.

3.7 SUMMARY

This chapter has provided an overview of the concept and practice of the management of projects.

The project’s concept was briefly reviewed. It is accepted by the academia and practitioners of projects that projects are primarily temporary organisations that are unique and constrained in terms of time, budget, and scope. They are necessary to deliver a unique prescribed outcome. In the context of this study, stakeholder management for urban development projects is a temporary organisation that is unique and constrained in terms of scheduled time, budgeted cost, and prescribed scope. It is acceptable to all the stakeholders and undertakes to deliver a unique prescribed infrastructural product aimed at facilitating economic growth, and/or improving the lives of the citizens.

The evolution of project management was reviewed. Modern project management practice is a relatively young practice, as it was only formalised in the mid-twentieth century. The evolution of modern project management has been closely related to
mainly three areas: the development of systems engineering; developments in the modern management theory; and the evolution of the computer. Consequently, today, project management is viewed by various scholars as applied systems management.

The theoretical basis of project management was reviewed. The validity of project management as a scholarly theory is still a contentious issue among various scholars. Various scholars argue that project management theory is a practitioner-driven normative theory. However, there is consensus to some extent that project management is a perfectible theory that is still in its infancy.

The contemporary practice of project management was reviewed; and some of the salient aspects that emerged are summarised hereunder. As this study is about the management of urban development projects (even though the focus is the stakeholder management discipline within project management), urban development project management constitutes all knowledge, attitudes, managerial skills, and activities employed on human and non-human resources in a collective effort to ensure that an urban development project is concluded on scheduled time, within budgeted costs, delivers an outcome that meets the prescribed urban development product, performing according to scope that is acceptable to all the stakeholders, and ensuring that the established socio-political, socio-economic, and socio-ecological setting within which an urban development project is implemented are taken into consideration or mitigated for.

This study is, more specifically, about the improvement of stakeholder management in urban development projects, so as to reduce the number of project failures from the perspective of all stakeholders. The purpose of PMOs is often to improve project management performance, and to reduce the number of project failures. The stakeholder management framework developed through this research, therefore, falls under the custodianship of the PMO. The framework, as a project management standard or part of project management methodology in urban development projects, can be effected more efficiently within a PMO setup, because it requires monitoring through project-practice oversight and governance mechanism – which is more in the domain (or interest) of the PMO than that of the project manager.
Over and above the review of contemporary practice of project management, the project success was explored because of its centrality to this research’s problem and primary objective. By and large, this study is about (urban development) project success or the elimination/reduction of (urban development) project failures from the stakeholder management aspect. From the review of various scholarly views on what constitutes project success, in the context of this study, urban development project success refers primarily to meeting the project’s objectives (time, cost, quality, resources, risk, and scope that are acceptable to all the stakeholders).

But also, more importantly, this refers to a project’s long-term gains and/or interventions which, to be accepted, have to enhance the socio-political, socio-economic, and socio-ecological wellbeing of the project’s stakeholders.

This chapter has provided an overview of the concept and practice of the management of projects. This is a precursor to the first research secondary objective of identifying stakeholder management CSFs for urban development projects in South Africa. The next chapter will review the stakeholder management theory and various models.
CHAPTER 4: STAKEHOLDER MANAGEMENT THEORY AND CLASSICAL MODELS

4.1 INTRODUCTION
The study is about the management of stakeholders in urban development projects. The primary objective of the study is to improve stakeholder management in urban development projects in South Africa. The first secondary objective of this study is to investigate the influence of various stakeholder management critical success factors (CSFs) on the success of stakeholder management in urban development projects. These CSFs are identified through the literature review against the background of: (1) the state (programme, importance, and challenges) of urban development in South Africa; (2) the management of projects – the concept and practice; and (3) the theory and classical models of the stakeholder management concept.

Chapter 2 provided an overview of the state (programme, importance, and challenges) of urban development in South Africa. Chapter 3 provided an overview of the concept and practice of the management of projects. This chapter provides an overview of the theory and classical models of the stakeholder management concept. This is done primarily by reviewing the stakeholder theory background. This is also done by reviewing the stakeholder concept and the contemporary tri-stream perspective of the stakeholder theory. Finally, the prevalent classical stakeholder-management models are reviewed.

Because this research is about the stakeholder management discipline within broader project management, having reviewed the broader project management theory and practice, it is important to review the core-stakeholder theory, and its prevalent models – as a precursor to the identification of stakeholder management CSFs that are essential in South African urban development projects.

4.2 STAKEHOLDER THEORY – BACKGROUND
Stakeholder theory is a relatively recent inclusion in management literature (Simmons & Lovegrove, 2005: 496). Many scholars believe it has been around for about thirty years – these are Freeman disciples. Edward Freeman is largely credited

In contrast, others like Simmons and Lovegrove (2005: 496) and Gomes (2006: 47) state that the concept was around for about five to ten years before Freeman. Lepineux (2005: 100) states that the stakeholder concept first surfaced in the work of the Stanford Research Institute (SRI) in 1963. This is also acknowledged by Freeman (1984: 32). There are also more extreme views. Simmons and Lovegrove (2005: 496) and Johansson (2008: 33), citing Schilling, state that it was Mary Parker Follet who first discussed the concept in 1918.

However, there is a general consensus of opinion that it is a relatively recent concept. In spite of all that is stated above, stakeholder management has only recently become an integral part of business ethics, as it features prominently in recent literature of the discipline. The stakeholder concept is gradually influencing corporate responsibility practice and theory (Fassin, 2009: 113). Over and above its invasion of the disciplines of business ethics and ethics, the stakeholder theory has made its way into a range of scholarship and practical terrains, such as political science, marketing, economic science, and systems science (Simmons & Lovegrove, 2005: 496).

The stakeholder notion has also found its way into the project management theory (Giammalvo, 2007: 15; Achterkamp & Vos, 2008: 749; Jepsen & Eskerod, 2009: 335). To appreciate the importance of stakeholders and stakeholder management in the field of project management, the term stakeholder is mentioned 150 times in the PMBOK (Giammalvo, 2007: 15). Stakeholder management’s significance in projects has become a global phenomenon – even among projects practitioners. PMI, in the forthcoming PMBOK Guide 5th edition is expanding the list of facilitative knowledge areas to include stakeholder management (Draft PMBOK, 2012).
Orts and Strudler (2002: 215) state that in recent times the stakeholder theory has become key and central in various management sciences, and particularly in business ethics. It is, therefore, evident, from various studies including those cited above, that stakeholder theory has in recent history been emerging – directly or indirectly – and has been articulated – implicitly or explicitly – into the scholarly expansion of most sectional management-theory disciplines.

Elias, Cavana and Jackson (2002: 302) provide a graphical view of the evolution of stakeholder literature, at least in the past half-decade. This graphical view, has been adapted from Freeman (1984: 32), and is represented in Figure 4.1. This study falls into the bottom tier of the lineage.

![Stakeholder literature map](source: Elias, Cavana & Jackson (2002: 302))
The main argument or message of Freeman’s (1984) seminal book: “Strategic management: a stakeholder approach”, is that the central and the most fundamental aim of the stakeholder theory is to empower those who are in leadership – business and societal – with the capacity to appreciate their stakeholders, and to manage them effectively and strategically. Freeman (1984: 48) stated that the stakeholder approach is fundamentally about the management, accepting, appreciating, and treating stakeholders with ethical responsibility – because it is the right thing to do, and also because they affect or are affected by organisations (Koson, 2008: 17).

4.3 STAKEHOLDER CONCEPT

Encarta dictionary defines a stakeholder as “a person or a group with a direct interest, involvement, or investment in something, for example, the employees, shareholders, and customers of a business concern” (Encarta, 2001: 1408). In some instances, stakeholders also include those persons or groups that have neither a direct interest nor any direct involvement in something; but they are affected by the work or operations and/or the outcome of that something. PMBOK (2008: 23) defines stakeholders as entities (human or public or organisations) that are participants in the project, or whose interests may be impacted (for better or worse) by the project scope and/or the product scope. According to Robertson (2003: 2), a project stakeholder is any person who, as a result of the project scope and/or the product scope, is – potentially or actually – disadvantaged or advantaged thereby. Orts and Strudler (2002: 215) state that even though a lot of effort has been dedicated to researching the stakeholder theory, as evidenced by the amount of academic literature on the discipline that is available; nevertheless, numerous leading scholars continue to denounce the stakeholder concept as being fuzzy and vague. A comprehensive list of twenty-seven different stakeholder definitions by various scholars in chronological order, ranging from Stanford (1963) to Donaldson and Preston (1995: 85), is listed in Mitchell, Agle and Wood (1997: 858).
Yang (2010a, 11) also states that Friedman and Miles (2006) have presented a summary of fifty-five stakeholder definitions between 1963 and 2003. This is an indication that the stakeholder concept is a highly contentious scholarly concept. Donaldson and Preston (1995: 66) also agreed that the definition of the stakeholder concept is a subject of scholarly dispute. Thomas (1999, 3) also stated that the concept or term “stakeholder” has become prevalent in management: both informal and/or formal talks, or discussions.

Lepineux (2005: 100) states that one of the salient features of the stakeholder theory has been the extent to which the stakeholder scholars disagree on many aspects of the stakeholder theory, and with those very few aspects on which there is agreement. Lepineux (2005: 99) also states that the stakeholder theory is riddled with many weaknesses – the definition of the concept is highly contentious and the definition of its subject (stakeholder) is too broad, and infinitely open-ended.

It is not uncommon in scholarship that a theoretical concept carries divergent, and sometimes contentious, definitions – examples of concepts with contentious connotations like “urban development” and “projects” have already been discussed in the previous chapters.

However, notwithstanding the preceding scholarly arguments, there is a consensus of opinion that Freeman’s definition of stakeholders is the most widely quoted: “Any group or individual who can affect, or is affected, by the achievement of the organisation’s objectives” (Fassin, 2009: 116; Gomes, 2006: 47; Lepineux, 2005: 100; Simmons & Lovegrove, 2005: 496). Lepineux (2005: 100) states that the pre-Freeman stakeholder definition, by the Stanford Research Institute (SRI) in 1963, is: “Those groups without whose support the organisation would cease to exist”.

The two definitions bear similar connotations, which in essence are identical. The bottom-line is that it is in the organisations’ interests to recognise and respect their stakeholders (Lepineux, 2005: 100).

Johansson (2008: 33) describes stakeholders as dependencies on organisations’ core functions, and without whose support such core functions would degenerate to
becoming dysfunctional. This explains the power that stakeholders can possess. Donaldson and Preston (1995: 85) ask the question: “Who are the legitimate stakeholders?” Donaldson and Preston (1995: 85) also state that some answers to this question in the literature can be viewed as being too narrow; while others are too broad. According to the “firm-as-contract” view, legitimate stakeholders are recognised as such on the basis of an existing – explicit or tacit – contract they have with the firm (Donaldson & Preston, 1995: 85).

For example, in a case where the local environment is being threatened by some organisational functions, by virtue of being affected or having interest in the matter, the local communities have some loose quasi-contract with the organisation, which legitimises them to seek legal recourse (Donaldson & Preston, 1995: 85).

Pesqueux and Damak-Ayadi (2005: 6) differentiate between primary and secondary stakeholders, citing Carol (1989). Primary stakeholders – sometimes called contractual stakeholders – are those stakeholders who have a valid contract with the organisation (Pesqueux & Damak-Ayadi, 2005: 6). Whereas secondary stakeholders – sometimes described as diffuse – are those stakeholders on the periphery of the organisational functions, but who do not have any contractual relationship with the organisation, but who may well be affected by organisational functions (Pesqueux & Damak-Ayadi, 2005: 6).

As argued by Donaldson and Preston (1995: 85), secondary stakeholders, like communities, have loose quasi-contracts with their business constituents. This argument, therefore, legitimises the so-called secondary stakeholders.

Donaldson and Preston (1995: 65) stated that the view that organisations have stakeholders has become prevalent in management writings – both in the practitioner and scholarly writings. Freeman (1988: 41) stated that organisations have stakeholders, implying, groups and individuals that are disadvantaged or advantaged by organisational operations. Stakeholders are a different form of stockholders; and as stockholders have rights and interests in organisational business, so do stakeholders have entitlement to certain claims on organisational business (Freeman, 1988: 41).
Freeman (1988: 115) argues that the “narrow definition” of stakeholder includes those groups that are vital to the survival and success of the corporation. In contrast, the “wide definition” of stakeholder includes any group or individual who can affect or is affected by the corporation (Freeman, 1988: 115).

Olander (2003: 9) differentiates between internal and external stakeholders, citing Calvert (1995), by stating that internal stakeholders refers to a coalition that includes project-team members, project sponsors, project clients, and project funders; whereas, external stakeholders refers to local communities and special-interest groups. Internal stakeholders – as a concept – refers to the project owners (who are the project sponsors or the performing organisation stockholders, management, and employees) and to the project members (which comprise the project managers, project team members, contracted organisations).

However, external stakeholders refers to those individuals and/or communities and/or groups whose socio-political and/or socio-economic and/or socio-ecological stability can be disturbed (positively or negatively) by the activities of the project execution or by the outcomes of the project implementation.

According to Fassin (2009: 116), a stakeholder can be equated to a shareholder, whose interest is in the equity in an organisation, with a shareholder also holding a stake of some sort in an organisation. Fassin (2009: 116) differentiates stakeholder types, using two different classifications. In the first classification, Fassin (2009: 116) divides stakeholders into two groups: normative and derivative. Normative stakeholders refer to those stakeholders who are explicitly related to the organisation, and to whom the organisation has an ethical duty (Fassin, 2009: 116). Derivative stakeholders refers to those stakeholders who have no direct relationship with the organisation; however, they can either hurt the organisation (or its function) or gain from the organisation (or its function) (Fassin, 2009: 116).

In the context of urban development projects, those individuals, communities, and/or stakeholder groups whose socio-political, socio-economic, and/or socio-ecological stability is impacted by the urban development project’s project scope and/or product scope are normative stakeholders, because urban development projects teams and
agencies have a moral obligation towards them. In the second classification, Fassin (2009: 113) divides stakeholders into three categories: real stakeholders, stake watchers, and stake keepers. Real stakeholder refers to a stakeholder who has a well-defined and a concrete stake in the organisation, for example, the employees, customers, or shareholders (Fassin, 2009: 121). Stake watcher refers to a stakeholder who supports real stakeholders by providing them with bargaining and/or litigation recourse in cases where real stakeholders are disadvantaged, or harmed by the organisation (or by its function) – potentially or actually. For example, labour unions, consumer associations, funders associations, or environmental lobby groups would fall into this classification (Fassin, 2009: 121). Stake keeper refers to a stakeholder who regulates and controls the organisation (particularly in its function), so as to protect the interests and/or rights of real stakeholders, and to an extent those of stake watchers, for example, consumer commission, energy regulator, broadcasting and communication regulator, various ombudsmen (Fassin, 2009: 121).

In the context of urban development projects, those individuals, communities, and/or stake-holder groups whose socio-political, socio-economic, and/or socio-ecological stability is impacted by the urban development project’s scope and/or product scope are the real stakeholders. They have a real stake in the projects because of the urban development projects’ invasion of their socio-political, socio-economic, and/or socio-ecological circumstances. However, any formation that seeks to advocate for the interests of those individuals, communities, and/or stakeholder groups whose socio-political, socio-economic, and/or socio-ecological circumstances is impacted by the urban development project’s scope (or product scope) could be classified as stake-watchers.

Then the judiciary and the public protector, in the context of urban development projects, could be classified as stake keepers. Government cannot be a stake keeper in the context of urban development projects, because government usually takes up the role of the project sponsor and/or urban development agency.

Therefore, in the context of this study, stakeholders (in particular urban development external stakeholders) refers to all those individuals, communities, and any groups whose socio-political, socio-economic, and/or socio-ecological circumstances are
impacted – positively or negatively – by the urban development project’s scope or product scope. Donaldson and Preston (1995: 85) differentiate between what they term legitimate stakeholders and illegitimate stakeholders. Pesqueux and Damak-Ayadi (2005: 60) further classify legitimate and illegitimate stakeholders, as primary or secondary stakeholders, respectively.

In the context of this study, all stakeholders are legitimate. Being accorded the label stakeholder, is reason enough to classify them as stakeholders, and by implication legitimate. Yang et al. (2010: 4), citing Jepsen and Eskerod (2009), differentiate between what they term important stakeholders and unimportant stakeholders. In the context of this study all stakeholders are important; being accorded the label stakeholder, is reason enough to classify them as stakeholders, and by implication important. In the context of this study all stakeholders, internal and external (Olander, 2003: 9), are regarded as stakeholders.

However, because this study was triggered by having observed external stakeholders being dissatisfied with the handling of their issues by internal stakeholders, it has a sympathetic bias towards external stakeholders; and the term stakeholders in this study generally refers to external stakeholders, unless otherwise stated.

Worsley (2011: 23) prefers the term stakeholder engagement to stakeholder management. Worsley (2011: 23) argues that the former is a more accurate and a less conceited expression of the concept. According to Worsley (2011: 23), stakeholder engagement is more about precision – getting the most precise or appropriate people in the process, while ensuring that the process of engagement itself is precise. From the project’s perspective, in particular urban development projects, stakeholder management is primarily about the identification and recognition of all individuals, communities, and/or groups that can gain or lose socio-political, socio-economic, and/or socio-ecological stability as a result of project scope and/or product scope. Secondly, stakeholder management is about the understanding (through analysis of each individual’s, communities’, and/or group’s environment, profile, and interest) of how and how much (to what extent) these individuals, communities, and/or groups could gain or lose their socio-political, socio-
economic, and/or socio-ecological stability, as a result of project scope and/or product scope.

Finally, stakeholder management is about minimising potential harm and maximising potential benefit to the project work and project outcome, and to the individuals, communities, and/or groups that can affect or can be affected by the project – through informed basic management functions (planning, organising, leading, facilitation, communication, consultation, ethical consideration, and relations based on integrity and transparency).

4.4 STAKEHOLDER THEORY – TRI-STREAM PERSPECTIVE

Stakeholder theory has caused more contestation than most theories within the management sciences in recent years (Fassin, 2009: 113). Lepineux (2005: 99) argues – against, but also to a limited extent for – the validity of stakeholder theory as a solid theory. Lepineux (2005: 99) states that there are numerous scholars who are questioning the stakeholder theory’s credentials and bona fides as a valid or a fully developed theory. However, Lepineux (2005: 99) does regard stakeholder theory as a genuine theory; however, he concludes that it is a perfectible theory.

Fassin (2009: 113) argues against the validity of the stakeholder theory, stating that the scrutiny of the stakeholder theory’s perfectible nature continues unabated and justifiably so. A rigorous assessment of the stakeholder theory’s fit in the body of knowledge is an absolutely necessary test for its reinforcement as a genuine theory (Lepineux, 2005: 99). Lepineux (2005: 99) further states that stakeholder theory harbours a number of weaknesses, the most glaring being the problematic issue around the balancing of interests between stakeholders; however, the notion that it has a solid normative foundation deficiency is also a cause for concern; its normative path is, to a large extent, separate from its empirical stream.

However, the interrogation of stakeholder literature that follows in this section does give credence to stakeholder theory as a genuine theory. Indeed, the whole body of knowledge is perfectible – hence, the need for continuous research – and stakeholder theory is no exception to this rule.
The pre-Freeman stakeholder concept was spread across and conceptualised within four related, but also distinct theories: corporate planning, systems theory, corporate social responsibility, and organisational theory – as represented in Figure 4.1 (Elias, Cavana & Jackson, 2002: 310; Yang, 2010a: 18). As discussed in 4.2, it is Freeman who is credited for conceptualising the stakeholder theory broadly into its contemporary form. For about a decade between 1984, the beginning of the Freeman era, and 1993, many books and articles primarily concerned with the stakeholder theory have been written by numerous scholars (Donaldson & Preston, 1995: 65; Elias et al., 2002: 301; Yang, 2010a: 11).

However, it was in 1993 that a watershed moment in the history of stakeholder theory was ushered in, through the discussion led by scholars like Thomas Donaldson and Lee Preston at the Conference on Stakeholder Theory at the University of Toronto (Mackey, 2006: 8). It was through this discussion that Donaldson and Preston (1995), through a subsequent paper, analysed and categorised previous work on stakeholder theory into three streams – “descriptive accuracy, instrumental power, and normative validity” (Mackey, 2006: 8).

The majority, if not all, of subsequent stakeholder theory studies to date have been premised and argued on the basis of these three streams.

For almost two decades, stakeholder theory has been viewed, argued, contested, and/or supported by stakeholder theorists from three, often confused, streams – from its descriptive, instrumental, and normative bases. Scholars Thomas Donaldson and Lee Preston, through their ground-breaking paper: “The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications” in 1995, subsequent to the discussion at the Conference on Stakeholder Theory at the University of Toronto in 1993, are credited for demarcating the stakeholder theory into three streams – descriptive, instrumental, and normative (Agle, Donaldson, Freeman, Jensen, Mitchell & Wood, 2008: 163; Co & Barro, 2009: 594; Fassin, 2009: 113; Foo, 2007: 379; Freeman, 2004: 230; Johnson-Cramer & Berman, 2005: 4; Jones, 1995: 406; Mackey, 2006: 8; Maharaj, 2008: 118; Mele, 2006: 1; Mwangi, 2003: 57; Nwanji & Howell, 2005: 3; Pesqueux & Damak-Ayadi, 2005: 8; Reed, 1999: 461; Reynolds,
Donaldson and Preston (1995: 88) stated that the stakeholder theory “has been advanced and justified in the management literature on the basis of its descriptive accuracy, instrumental power, and normative validity”. As much as these three facets of the stakeholder theory are interconnected, they also differ significantly because they yield diverse forms of evidence and argument; and as a result, they yield diverse propositions (Donaldson & Preston, 1995: 88).

Donaldson and Preston (1995: 88) also stated that a set of attitudes, structures, and practices constitute the stakeholder management theory; and this set is underpinned or informed by the managerial aspect of the stakeholder theory. The stakeholder theory is much broader than just the recognition that “organisations have stakeholders”, which, although valid, is not indicative of the managerial nature of the stakeholder theory (Donaldson & Preston, 1995: 88).

Furthermore, the idea that stakeholder management is instrumental to business performance is an inadequate assertion to stand alone as a foundation for the theory (Donaldson & Preston, 1995: 88). Actually, the most insightful prognosis is that stakeholder management and corporate performance are causally related; and this view is supported by their (Donaldson & Preston, 1995: 88) normative arguments. From the three statements, it may be deduced that Donaldson and Preston (1995: 88) were of the view that “the ultimate justification for the stakeholder theory is located in its normative base”.

According to Donaldson and Preston (1995: 74), as represented in Figure 4.2; the three stakeholder theory streams are overlaid and incorporated within each other. The descriptive shell embraces the entire stakeholder theory – this aspect of the theory provides and clarifies the linkages and/or networks among stakeholder management participants and that are at play in the real stakeholder world. Then the stakeholder theory’s descriptive accuracy is underpinned at its inner level by its prognostic value, which is instrumental and causal – all business outcomes are a function of business practices. Central to both the descriptive and instrumental nature
of the stakeholder theory is its normative nature, which assumes that organisations acknowledge and regard all their stakeholders’ interests as having inherent value that is intertwined with the core-organisational aims and functions (Donaldson & Preston, 1995: 74).

![Figure 4.2: Donaldson and Preston’s three aspects of stakeholder theory model](image)

On the basis of the work of Donaldson and Preston (1995), Nwanji and Howell (2005: 3) state that the stakeholder theory research has been advancing in three, often confused, streams. The descriptive research interrogates and explains the networks and relationships among the stakeholders. The instrumental research interrogates and explains the organisational success dependency on stakeholders, and their interests being considered. The normative research interrogates and explains the “right thing that organisations ought to do”.

The stakeholder theory, as analysed and articulated by scholars after Donaldson and Preston (1995) has three aspects: the first aspect being the description of an organisation and its stakeholders – prevailing relationships and processes between the two entities. However, the stakeholder entity can also be viewed as an entity constituted of multiple constituents. In the context of urban development projects – projects with socio-political socio-economic socio-ecological implications – this is about the description of how urban development agencies relate to individuals, communities, and groups whose socio-political, socio-economic and socio-ecological circumstances are being impacted by the processes (or activities) and/or the
products of urban development projects. The second aspect is the relationship between organisational (economic) performance and the management of its stakeholders, that is, the notion that organisational performance is maximised, among others, through the appropriate management of the stakeholders.

In the context of urban development projects, this is about urban development agencies understanding and accepting that it is in their (agencies) best interest – it is for the projects’ success – that stakeholders be managed appropriately, and their interests respected. In the final analysis, the true success of urban development projects hinges on how satisfied the individuals, communities, and groups are, whose circumstances are being impacted by the processes (or activities) and/or the products of urban development projects.

The third aspect is that stakeholders have rights; and organisations are ethically obligated to acknowledge and respect these rights. In the context of urban development projects, this is about urban development agencies acknowledging that economic value (or socio-political value) derived from urban development projects implementation is equal to the ethical wellbeing and considerations for the individuals, communities, and groups, whose circumstances are being impacted by the processes (or activities) and/or the products of urban development projects.

It must also be stated that Edward Freeman argued against the tri-stream stakeholder theory perspective and the normative aspect, in particular, which he refers to as a “separation fallacy” (Agle et al., 2008: 163). However, earlier Freeman (2004: 230) was the advocate of the tri-stream perspective when he stated that Donaldson and Preston (1995) had delineated the stakeholder theory into three streams. He went on to state that he thought he was doing all these three stakeholder theory aspects, and that any good theory or narrative ought to do all three (Freeman, 2004: 230).

Freeman (2004: 230) also states that the stakeholder approach has always been what Donaldson and Preston (1995) have called “managerial”. Freeman (2004: 230) then argued that there was adequate philosophical justification for such an approach;
and then also asserted that Wicks and Freeman (1998) had tried to set forth such a pragmaticist “methodology”.

Edward Freeman then made an about-turn, in Agle et al. (2008: 163), stating that as a pragmatist, he was weary of the debate between what's descriptive, what's instrumental, and what's normative – because it leads nowhere – for lots of good reasons. He went further by stating that there is no need for a “normative foundational justification” as many scholars had suggested; instead there is a need for simple and practical ideas (Agle et al. 2008: 163). He then stated that there are four main ideas that get stakeholder theory off the ground: (1) the separation thesis; (2) the integration thesis; (3) the responsibility principle; and (4) the open question argument (Agle et al. 2008: 163).

It is not useful any more to separate questions of business and questions of ethics; that is what is behind Donaldson’s idea of a normative revolution in business; it is more useful to call it an “integrative revolution” – the separation thesis (Agle et al. 2008: 163). It does not make any sense to talk about business, without talking about ethics; and it does not make much sense to talk about ethics without talking business – an implicit assumption there needs to be made explicit: it does not make any sense to talk about business or ethics without talking about human beings – the integration thesis (Agle et al. 2008: 163).

If business is on one side, and ethics is on the other, then there will be a gap that may come to be known as “corporate social responsibility” – this gap must be avoided by having some integrated way to think about business and ethics, and the idea of responsibility seems to be a good way to start: the responsibility principle (Agle et al. 2008: 164). For any decision that a manager or other organisation member is going to make, the following questions are meaningful (even though they may admit of many different and controversial answers): (1) if this decision is made, for whom is value created and destroyed, who is harmed and who is benefited? (2) whose rights were enabled or not enabled? (3) What kind of person would I be if I were to make this decision in this particular way? – The open-question argument (Agle et al. 2008: 164). Even though the Freeman argument has some merit, the tri-stream perspective is still relevant and appropriate, because it provides an analysis
of demarcation theories, which when integrated, result in a cohesive and holistic theoretical foundation, like the one now proposed by Freeman.

This integrative view is stated in the summary, 4.4.4 below; it preceded by an analysis or demarcation of the descriptive, instrumental, and normative aspects of stakeholder theory in sections 4.4.1, 4.4.2, and 4.4.3, respectively.

### 4.4.1 Descriptive stakeholder theory
Stakeholder theory has been advanced and justified in the management literature on the basis of its descriptive accuracy (Donaldson & Preston, 1995: 88). Yang et al. (2009b: 163) analysed 159 articles with content relevant to stakeholder management – based on the stakeholder theory classification of Donaldson and Preston (1995) – and they found 86 to fall into the descriptive stakeholder management category.

The descriptive view of stakeholder theory, contrary to the instrumental view and the normative view, which are both prescriptive, is empirical, since it is simply about painting a picture that depicts the prevailing relations between an organisation (or urban development agency) and its (external) stakeholders – without questioning what informs these relations. Several stakeholder theory studies point to this. Jones (1995: 406) stated that the aim of the descriptive and empirical framework of the stakeholder theory is to explain the behaviour of organisations and that of their management. It seeks to address the question: “What happens?”

The stakeholder theorists strive to interrogate and explain organisational behaviour in terms of stakeholder management and relationships (Jones 1995: 406). Thomas (1999: 3) stated that, in essence, the stakeholder theory is about how organisations function. It is about the relationships between managers, directors, shareholders, employees, and customers. Nwanji and Howell (2005: 3) state that descriptive research, in the stakeholder theory, is the explanation of the interactions between organisations, their managers, and their stakeholders. Yang (2010a, 19) maintains that the descriptive or empirical aspect of stakeholder theory is about the description of the methods and their processes in stakeholder management.
Pesqueux and Damak-Ayadi (2005: 8) state that the stakeholder theory-descriptive approach prescribes that organisations and managers “behave with specifiable moral perspectives in mind”. This stakeholder theory perspective is both descriptive and analytical. Not only are the authors describing the behaviour of organisations (or urban development agencies) and the managers (or project managers) towards (external) stakeholders, but it is also classified on its moral basis.

Various authors then proceed to state that the objective of the descriptive stakeholder theory is to describe and explain specific behaviours and qualities: the organisation’s nature; how organisational principals and their organisations should be viewed; the management of organisations; the dissemination of public information; the concept of important stakeholders; and the attribution of importance to each stakeholder (Pesqueux & Damak-Ayadi, 2005: 9).

This descriptive approach only allows for exploratory suggestions, but it falls short of enabling the links between generic business objectives and stakeholder management (Pesqueux & Damak-Ayadi, 2005: 9).

Thomas (1999: 2) stated that in analysing diverse stakeholder theory literature, some literature is descriptive – it describes how business objectives and functions can sometimes entangle organisations in a web of competing interests. In his study, of another view of descriptive stakeholder theory, Thomas (1999: 2) goes to the extent of interrogating contending stakeholder positions. That is, how various stakeholders relate to (affect or are affected by) the organisation. This is further supported by Maharaj (2008: 118) who categorises these stakeholder positions into power, legitimacy, and urgency, as represented in Figure 4.7.

Maharaj (2008: 118) maintains that the descriptive perspective proposed by Mitchell et al. (1997) provides clarity on stakeholder identification; and its basis is stakeholders having some or all of the three relational attributes. These stakeholder attributes are: power to control an organisation in its objectives and functions; legitimacy of the stakeholder’s standing in the organisational objectives and functions; and the urgency of the stakeholders’ claims in the organisational objectives.
and functions. This view is about a more detailed description of organisation-stakeholder relations.

Reed (1999: 461) stated that a descriptive use of the terms stake and stakeholder, for example, is premised on the empirical relationship between the functions of the organisation, and those entities or beings directly affected by organisational functions. This view of the descriptive stakeholder theory describes the actual link (tacit stake) of a stakeholder to the organisation, and how this link (tacit stake) describes or informs the organisation-stakeholder relationship (Reed, 1999: 461).

The descriptive-accuracy aspect of the stakeholder theory, as is the case with the broader stakeholder theory and as evidenced through the preceding literature review, is articulated differently by various stakeholder theorists. However, on the basis of the preceding literature review, the descriptive-accuracy aspect of the stakeholder theory, simply put, is that organisations, in describing themselves, their processes, and their environments, have to acknowledge and understand that they have stakeholders.

In the context of the urban development projects, descriptive stakeholder management is about the prevailing attitudes, processes, and relations of urban development agencies towards various individuals, communities, and groups whose socio-political, socio-economic, and/or socio-ecological circumstances are being impacted by the processes and/or products of urban development projects.

4.4.2 Instrumental stakeholder theory
Stakeholder theory has been advanced and justified in the management literature on the basis of its instrumental power (Donaldson & Preston, 1995: 88). Yang et al. (2009b: 163) analysed 159 articles with content relevant to stakeholder management – based on the stakeholder theory classification of Donaldson and Preston (1995) – they found 35 that fell into the instrumental stakeholder management category.

Simmons and Lovegrove (2005: 496), citing Haberberg and Rieple (2001), state that organisational insights into stakeholder importance (or instrumentality) inform the
viability and the scope of organisational strategic choices. This is as a result of the interaction between an organisation and its stakeholder constituencies impacting on both the organisation and its stakeholders. Simmons and Lovegrove (2005: 496), citing Wilson (2000), also state that the interest generated by the stakeholder management viewpoint, particularly to managers and politicians, has led to the assertion that it is merely a redefinition of the rules of socially responsible corporate governance.

However, it is mainly for instrumental reasons that the stakeholder management theory is applied in such cases. The destinies of organisations and stakeholders – where both groupings are members of the same community, of the same socio-political socio-economic socio-ecological environment – are necessarily intertwined. Organisations, primarily, are conceived and started because of their potential viability in the surrounding communities.

Even temporary organisations (projects in general and urban development projects in particular) are conceived and started because of their potential significance to the surrounding communities – to improve the lives of the members of such communities, and/or to stimulate the economic wellbeing of such communities. Communities are the lifeblood of the organisations that exist within their environment. Communities provide space, labour, market (and even the business case) to organisations that operate in their environment. As a result, organisations are instrumental for the socio-political and/or socio-economic wellbeing of the communities. This they do by providing jobs and/or goods or services.

Furthermore, communities are instrumental in the economic viability of the organisations; this they do by providing resources and/or markets.

Jones (1995: 406) stated that the instrumental stakeholder theory provides an indication of what transpires when organisations (and their managers) behave in certain ways – and it seeks to address the question: “What happens if?” Proponents of stakeholder theory strive to describe what would happen if organisations (and their managers) uphold the stakeholder management principles (Jones, 1995: 406). Some urban development projects in South Africa – as discussed in Chapter 1 and Chapter
2 – have been characterised by challenges (protests, dissatisfaction, and anarchy), because individuals, communities, and/or stakeholder groups claim that there have been no consultations, and that their socio-political, socio-economic, and/or socio-ecological circumstances are being affected by the processes and/or products of such urban development projects.

From the definition of project success, as discussed in section 3.6, these urban development projects cannot be classified as being successful. Urban development projects can be regarded as being successful if they, primarily, meet the project objectives (time, cost, quality, resources, risk, and scope that is acceptable to all stakeholders), but also, more importantly, if the project’s long-term gains and/or interventions are seen to be enhancing the socio-political, socio-economic, and socio-ecological wellbeing of the project stakeholders, and are accepted by all the stakeholders.

Therefore, the question that arises is – because the challenges of some urban development projects in South Africa are stakeholder related: Have the stakeholders (and their issues) been adequately managed by urban development agencies and urban development project managers? The instrumental stakeholder theory suggests, by inference, that urban development projects become successful where urban development agencies and urban development project managers adhere to stakeholder management principles; that is, where stakeholders’ interests are taken into account (incorporated into the scope or mitigated for).

Nwanji and Howell (2005: 3) state that the instrumental stakeholder theory makes the assumption that if organisations (and their managers) want optimal (business) results then, they must view stakeholders and their interests favourably. In urban development projects, urban development agencies and urban development projects, managers should balance the urban development projects’ objectives against the external stakeholders’ wellbeing – if these projects are to be successful, and can be seen to be successful.

Maharaj (2008: 120) states that the instrumental approach is about the relationship between stakeholder management and organisations’ performance. There is a link
between the success, or lack thereof, of urban development projects and the extent to which urban development agencies and urban development project managers adhere to effective stakeholder management principles.

Reed (1999: 461) stated that an instrumental definition of the terms ‘stake’ and ‘stakeholder’ might involve the potential effects of a stakeholder, as someone who is able to affect the activities and performance of the firm. Instrumental stakeholder management suggests that in as much as stakeholders can be affected by the processes and/or products of urban development projects, the processes and/or products of urban development projects can contrariwise be affected by stakeholders in cases where urban development agencies and urban development project managers do not adhere to effective stakeholder management principles.

Thomas (1999: 2) stated that, in analysing diverse stakeholder theory literature, some material is instrumental, projecting the stakeholder theory as a means of improving corporate performance. Thomas (1999: 4) further stated that the stakeholder theory is portrayed and applied in an instrumental manner, the fundamental idea being that a stakeholder approach to organisational management should yield some improvement in organisational performance.

Yang (2010a: 19) also states that the instrumental aspect of stakeholder theory seeks to explore the impact of stakeholder management on the achievement of organisational-performance objectives. In the same vein, Mwangi (2003: 57) states that of the three stakeholder theory streams, the instrumental stream is more likely to be of interest to firms and managers, given the need to meet their business objectives.

The instrumental aspect of stakeholder theory suggests that stakeholder management has a bearing on the achievement of the goals of urban development projects.

Foo (2007: 379) maintains that of the three stakeholder theory types, as argued by Donaldson and Preston (1995), instrumental theory is a potential contributor to corporate strategy, because it positions itself as being able to describe and/or explain
what happens if organisations behave in a certain way, and also how “corporate social performance affects corporate financial performance”. Reynolds et al. (2006: 285) state that the instrumental stakeholder theory is popular with those interested in profits because it fosters instrumental predictions.

Reynolds et al. (2006: 293) affirm that stakeholder research has suggested that the organisational bottom line is benefited by the adoption of the stakeholder approach. Even though the instrumental value is usually considered in financial terms, it could also be considered in terms of legitimacy (Reynolds et al., 2006: 293). Reynolds et al. (2006: 293) further state that legitimacy is "the generalised perception or assumption that the actions of an entity are desirable, proper, or acceptable within some socially constructed system".

Viewing instrumental value as legitimacy provides a completely different picture of profitability, and draws attention to the significance of approval from important stakeholders (Reynolds et al., 2006: 293). Recognising more than just financial achievements, legitimacy also views validation, continuity, and survival as fundamental indications of success (Reynolds et al., 2006: 293). Urban development agencies and project managers should view the success of urban development projects – not only from the perspective of the projects’ concrete deliverables – but also from how its processes and products are appreciated and embraced by the individuals, communities, and groups whose circumstances are being impacted by these projects.

Over and above the urban development projects’ concrete deliverables, in the eyes of external stakeholders urban development projects are legitimate if they view them as important and necessary for their socio-political, socio-economic, and/or socio-ecological wellbeing. It is the role of stakeholder management (by urban development agencies and project managers) in urban development projects to ensure that this is achieved.

Pesqueux and Damak-Ayadi (2005: 9) state that the instrumental stakeholder theory, as advanced by Jones (1995), purports that organisations that practise stakeholder management have a competitive edge over their rivals and show superior
profitability. This is premised on the assumption that certain behaviour is a precursor to certain performance – implying, thereby that the instrumental theory relies on certain behaviours (Pesqueux & Damak-Ayadi, 2005: 9).

As much as urban development projects impact the circumstances of external stakeholders, so also can the urban development projects be impacted by external stakeholders' behaviour. Therefore, certain behaviour is necessary to manage this conflict; and such behaviour could be achieved through stakeholder management that is fundamentally instrumental (and normative) – that is premised on the appreciation of external-stakeholder value to urban development projects, and the rights of the external stakeholders.

Mele (2006: 1) views the instrumental stakeholder theory from the corporate social responsibility (CSR) perspective by stating that instrumental CSR theories help scholars to know how companies have carried out their CSR policies, which is the correlation between CSR and economic performance. This view of stakeholder management is contrary to the Freeman argument of CSR. and Freeman refers to this as a separation fallacy (Agle et al., 2008: 164).

The ethical issues in urban development projects cannot be reduced to separate mechanisms, like CSR, but they should form an integral part of the project scope and product scope. What Freeman argues is that stakeholder management should not be reduced to a separate programme for appeasing external stakeholders; instead, stakeholder management should be at the core of business, and should be intertwined with business. Freeman argues that talking about business with the exclusion of ethics is a contradiction in terms; and the inverse is equally true, to talk about ethics with the exclusion of business is also senseless; and more specifically, talking about business and/or ethics with the exclusion of human beings is ridiculous (Agle et al., 2008: 164).

If urban development agencies and project managers view external stakeholders as being instrumental to the success of urban development projects, then their engagement with external stakeholders on stakeholder issues should reflect such a
stance. That is, stakeholder issues should be attributed a status that depicts external stakeholders as being integral to the success of urban development projects.

The instrumental-power aspect of the stakeholder theory, as is the case with the broader stakeholder theory, and as evidenced through the preceding literature review, is articulated differently by various stakeholder theorists. However, on the basis of the preceding literature review, the instrumental-power aspect of the stakeholder theory, simply put, is that: “Organisations have to acknowledge and understand that [the] appropriate management of stakeholders is instrumental to the organisational economic performance.”

In the context of urban development projects, instrumental stakeholder management is about urban development agencies and project managers appreciating that their attitudes, processes, and relations towards various individuals, communities, and groups whose socio-political, socio-economic, and/or socio-ecological circumstances are being impacted by the processes and/or products of urban development projects have a direct bearing on the success or failure of urban development projects.

4.4.3 Normative stakeholder theory
Stakeholder theory has been advanced and justified in the management literature on the basis of its normative validity (Donaldson & Preston, 1995: 88). Yang et al. (2009b: 163) analysed 159 articles with content relevant to stakeholder management – based on the stakeholder theory classification by Donaldson and Preston (1995) – they found 38 fell into the normative stakeholder management category.

The normative view of stakeholder theory seeks to look beyond how (external) stakeholders relate to organisations (or urban development agencies) and how organisations (or urban development agencies) view the instrumental significance of (external) stakeholders to the organisational (or urban development) economic bottom-lines (or project success). They should look at the ethical basis for these views. It seeks to ask the question: “What are the ethical responsibilities” of an organisation (or urban development agency and project manager) towards its (external) stakeholders; and: “How are these ethical responsibilities” addressed. It
seeks to ask a follow-up question: “Are these ethical responsibilities built into the fabric of core business (Agle et al., 2008: 164); or are they treated separately and outside the core technical processes of business”?

Jones (1995: 406) stated that at the centre of the normative theory is the ethical correctness of the behaviour of organisations; and it seeks to address the question: “What should happen?” Proponents of stakeholder theory strive to describe what managers should do when dealing with external stakeholders (Jones, 1995: 406). Thomas (1999: 4) also states that the stakeholder theory is normative and is ingrained in the ethical and theoretical concepts. This normative approach is about “What should be?” rather than “What is”, on an ethical basis rather than on an economic basis.

Nwanji and Howell (2005: 3) state that the normative sense of the stakeholder theory stipulates: “What managers ought to do”. Mackey (2006: 8) states that although the stakeholder theory is descriptive of how the organisational stakeholder network holds – and also, although it is instrumental, in what transpires if organisations behave in certain ways towards their stakeholders, It is, however, fundamentally a normative theory, to persuade organisations to consider how things should be, and as a result how they, as responsible organisations, should act.

Yang (2010a, 20) states that the normative aspect of stakeholder theory purports to scrutinise the ethical and rational precepts for management. The normative stakeholder theory views these ethical and rational precepts, as being for management, not as a separate-management function, but that which is infused in every aspect of management thinking and activity. Urban development projects are usually implemented within and for communities with certain socio-political, socio-economic, and socio-ecological circumstances and aspirations.

The normative stakeholder theory prescribes that the thinking and activities of urban development agencies (and urban development project managers) should have an ethical view of these circumstances and aspirations in relation to what the urban development projects are all about.
Thomas (1999: 2) states that, in analysing diverse stakeholder theory literature, some material is normative, but all the stakeholder interests are legitimate and are of essential and central importance; and as a result, require to be considered on their own terms (Donaldson & Preston 1995). Organisations (or urban development agencies) have ethical responsibilities towards (external) stakeholders, primarily because (external) stakeholders are legitimate as members of the communities in which the organisations (or urban development agencies) operate (or implement urban development projects), and because there is a tacit relationship between the two groups.

Orts and Strudler (2002: 216), answering the question: “What is a stakeholder?”, state that the stakeholder theory is a contemporary viewpoint of the yesteryear concept of business: “that being in business is more than a matter of making money” – as a result “ethics” and “economics” are integrated concepts that should not be divorced in modern times. That is, businesses are fundamentally tied to the broader communities in which they are constituents; and as a result, they should be operated within the confines of broader ethical social principles. Businesses, as “members” of communities, cannot be exempt from operating ethically, as is expected of individual members of communities.

Because businesses have a right to exist, so also are other community members – external stakeholders – who are or may be impacted by the activities of businesses.

Reynolds et al. (2006: 285) state that normative stakeholder theory, because it fosters normative predictions, is therefore popular with those interested in ethics. Normative stakeholder theory seeks to balance economics and ethics, if not to integrate the two. Businesses, by purpose and by design, are economic entities, and as a result are motivated by economics. Instilling ethical considerations in business economic thinking and activities ensures that businesses become responsible citizens.

Urban development projects are, by purpose and design, means for delivering urban development products (transport networks, economic infrastructure, houses, public amenities, et cetera). However, urban development agencies (and project managers), in the course of delivering these products should think and act ethically
towards those who are affected by the processes and products of urban development projects.

Reynolds et al. (2006: 293) state that numerous theorists have commented on the normative aspects of the stakeholder approach from its earliest development. At its theoretical basis, the stakeholder approach presupposes that the organisation's relationship with its stakeholders is intrinsically important; and therefore, it should be treated as such in the functions of the organisation (Reynolds et al., 2006: 293). Consequently, the approach implies that by valuing its stakeholders, an organisation is behaving morally and ethically (Reynolds et al., 2006: 293).

According to the instrumental stakeholder theory, (external) stakeholders are valuable, and should be valued by organisations (or urban development agencies) because of their instrumentality to organisational bottom-line. Normative stakeholder theory takes this further by emphasising the ethical responsibility of organisations (or urban development agencies) towards (external) stakeholders – in spite of their instrumentality – but fundamentally because (external) stakeholders have a right to exist, and it is ethical for organisations (or urban development agencies) to do so.

Mwangi (2003: 57) states that there is danger in the overemphasis of the instrumental justification for stakeholder theory; and managers and firms need to be equally sensitised to the normative aspect, which they need to take into consideration. This need may be driven by the apparent conflict between the two, where on a practical level the instrumental motives for stakeholder engagement may conflict with the normative motives.

Thomas (1999: 4) stated that Donaldson and Preston (1995) identified two vital propositions at the centre of most normative viewpoints of the stakeholder theory: (1) stakeholders are identified by their interest in the organisation; and (2) the interests of all stakeholders are important. (External) stakeholders have an interest in an organisation (or temporary organisation project) if they are affected, or they affect the organisation (or urban development project). This (external) stakeholder interest has the potential to enable, or to impede, the organisation’s (or urban development project’s) goals.
Consequently, (external) stakeholders are as integral to organisational (or urban development project's) performance as are other organisational stakeholders. As a result, organisations (or urban development agencies and project managers) have responsibilities – founded on ethics – towards their (external) stakeholders.

Pesqueux and Damak-Ayadi (2005: 8) state that organisations act with moral perspectives in mind – the normative approach. Urban development projects are not only about concrete deliverables (transport networks, economic infrastructure, houses, public amenities, et cetera) and economic growth, but they are also an ethical issue because they are implemented within socio-political, socio-economic, and/or socio-ecological set-ups. They impact established socio-political, socio-economic, and/or socio-ecological situations.

Mele (2006: 1) views the normative stakeholder theory from the CSR perspective by stating that normative CSR theories give scholars the fundamental principles for CSR, as well as the reasons why organisations have to assume and implement certain responsibilities toward society. As argued by Freeman, in Agle et al. (2008: 164), CSR is as a result what he calls “a separation fallacy”, where ethical issues are being addressed outside economic issues. To borrow from Freeman, in Agle et al. (2008: 164), it is not useful any longer to separate questions of urban development project scope and questions of ethics.

It does not make any sense to talk about urban development project scope without talking about ethics; and it does not make much sense to talk about ethics without talking about urban development project scope – within the context of the urban development projects – an implicit assumption here needs to be made explicit: it does not make any sense to talk about the scope of urban development projects without also talking about human beings. If the scope of urban development projects is on one side, and ethics is on the other, then there would be a gap that may come to be known as CSR. This gap must be avoided by having some integrated way to think about the scope and ethics of urban development project, and the idea of responsibility (particularly on the part of urban development agencies and project managers) would be a good way to start.
The normative validity aspect of the stakeholder theory, as is the case with the broader stakeholder theory, and as evidenced through the preceding literature review, is articulated differently by various stakeholder theorists. However, on the basis of the preceding literature review, the normative validity aspect of the stakeholder theory, simply put, is that “organisations have to acknowledge and understand that stakeholders have a right to be; and as result, have to be regarded as legitimate.”

In the context of urban development projects, normative stakeholder management is about the responsibilities of urban development agencies (and project managers) to various individuals, communities, and stakeholder groups, whose socio-political, socio-economic, and/or socio-ecological circumstances are being impacted by the processes and/or products of urban development projects. These responsibilities are primarily informed by the acceptance that these stakeholders have a right to exist, and also by appreciating that the economic value and socio-political value derived from the success of urban development projects is balanced by the ethical wellbeing of these stakeholders.

4.4.4 Summary
The Donaldson-Preston argument is twofold. Firstly, they argue that primarily the effectiveness of the stakeholder theory is its managerial relevance – the attitudes, structures, and practices articulated by the stakeholder theory constitute a stakeholder management philosophy. Secondly, they argue that the “descriptive accuracy” aspect of stakeholder theory has no direct managerial implications and that the “instrumental power” aspect of stakeholder theory is insufficient to stand alone, but that it is the “normative validity” aspect of stakeholder theory that is the ultimately justifiable foundation for the stakeholder theory.

However, they conclude by stating that the three aspects of the stakeholder theory are mutually supportive and that the normative basis of the theory – which includes the modern theory of property rights – is fundamental (Donaldson & Preston, 1995:
65; Maharaj, 2008: 118). Finally, stakeholder management has become an important tool for transferring ethics to management practice and strategy (Fassin, 2009: 113).

Having reviewed the stakeholder management theoretical war among stakeholder theorists, in the context of this study, all three stakeholder theory positions are valid. In urban development projects project managers should appreciate the stakeholder environment: how it fits in with what an urban development agency is intending to implement through urban development projects; and what the interfaces are that enable this “enforced” (by urban development imperatives) partnership between the project team and project stakeholders – the descriptive view of stakeholder theory.

In urban development projects, project managers should appreciate that project success is determined not only on the basis of time, budget, and scope; but the satisfaction of the entire stakeholder community, and as a consequence, project-stakeholder relations are instrumental to the eventual outcome (benefit or value) of an urban development project – the instrumental view of stakeholder theory. In urban development projects, project managers should appreciate the right of stakeholders to exist; these rights should be afforded the respect and recognition they deserve; and project teams should do the right thing by being ethical even in technical aspects of a project like the project scope – the normative view of stakeholder theory.

4.5 STAKEHOLDER THEORY – CLASSICAL MODELS

Many of the most popular management models are expressed as, or supported by, artefacts (visual or graphical formats); reputed examples being Porter’s Five Forces framework, Porter’s Value Chain framework, Boston Consulting Group Growth-Share matrix, and Mintzberg’s Structuring of Organisation (Fassin, 2009: 114). Stakeholder management models that have been evolving proportionately with the evolution of stakeholder management theory are no exception to this tacit rule.

There are numerous stakeholder management models that have evolved over the years; however, there are three groupings – and their variations – that are prevalent throughout the stakeholder literature. The first group of stakeholder management models are those representing the stakeholder view of the firm. These models
provide schematic mapping of the relationships between a corporation (or management or project) and its stakeholders or stakeholder groups.

The framework of the stakeholder view of the firm model demonstrates visual relationships among the various stakeholders around the organisation (Fassin, 2009: 114). The second group of stakeholder management models comprises those used to categorise stakeholders and to determine the appropriate stakeholder management strategies for respective stakeholder categories. These are based, mainly, on the “potential threat versus potential cooperation” matrix. These provide techniques that can be used for analysing and classifying stakeholders in terms of their propensity to be a threat to the corporation (or project) and their propensity to cooperate with the corporation (or project).

Having analysed and classified the stakeholders, the same technique can then be used to formulate or to select appropriate strategies for managing each stakeholder class. Other models in this group are based on the “interest level versus power level” matrix; however, these are also used to categorise stakeholders and to determine suitable strategies to manage them. Also in this second group of models, there are those based on the matrix of centrality of the focal organisation versus the density of the stakeholder network. These are used to categorise stakeholders, or to determine the influence each stakeholder class has on an organisation (or a project).

The third group of stakeholder management models comprises those that prescribe the steps to be followed in stakeholder management process and/or in stakeholder strategy formulation process.

4.5.1 Stakeholder view of firm models
The stakeholder view of the firm was first developed by Edward Freeman in 1984, and elaborated on by subsequent scholars (Fassin, 2009: 114; Weber & Wasieleski, 2003: 136; Yang, 2010a: 22). However, Cornelius and Kogut (2003: 47) argue that the stakeholder view of the firm has been around since the 1930s; it has known many reincarnations, including Freeman’s work and strategic-management theory. The
stakeholder view of the firm describes an organisation (or project) as an association of groups and individuals with specific interests (Dentchev, 2004: 16).

As a result, it is in line with the descriptive, instrumental, and normative stakeholder theories in that: it graphically describes the relationship that an organisation (or project) has with its stakeholders; it recognises the instrumentality of all stakeholders as constituents of organisational (or project) success; and it acknowledges organisational (or project) responsibility towards its stakeholders (Dentchev, 2004: 16; Garcia-Castro, Arino & Canela, 2008: 1).

According to Stahl (2008: 315), the stakeholder view of the firm contends that corporations (or projects) are complex social systems that serve a variety of sometimes competing purposes.

According to Todd (2010: 3), citing Freeman (1984: 25), the stakeholder view of the firm is a basic schema of organisational stakeholders; and it should be recognised that each of these stakeholders plays a vital role in the bottom line of the business entity in the contemporary environment; and each of the stakeholders has a stake in the contemporary corporation. Freeman’s original framework, as represented in Figure 4.3, included eleven stakeholders on a non-exhaustive basis (Fassin, 2009: 114).

In Freeman’s stakeholder model, the firm or corporation occupies the central position with direct connections to eleven stakeholders (Freeman, 1984: 131; Yang, 2010a: 22) – this is represented in Figure 4.3. However, the most commonly used version of the model includes only seven of the original eleven stakeholders: governments, competitors, customers, employees, civil society, suppliers, and shareholders (Fassin, 2009: 115).
In a later version of the model, as represented in Figure 4.4, Freeman reduced the scheme to five internal stakeholders: financiers, customers, suppliers, employees and communities (dropping competitors), placed a box around these five stakeholders, and introduced six external stakeholders: governments, environmentalists, NGOs, critics, the media and others, without arrows linking these to the central hub (Fassin, 2009: 115).
Fassin (2009: 124) further refined Freeman's adapted stakeholder view of the firm along the lines of his demarcation of the broader stakeholder into real stakeholders, stake-watchers, and stake-keepers. According to Fassin’s model, management occupies the central position with direct connections to six real stakeholders: shareholders, employees, civil society, customers, business, and communities (Fassin, 2009: 124).

Each real stakeholder is supported or joined to its related stake-watcher: investors’ funds for shareholders, unions for employees, NGOs for civil society, consumer organisations for customers, competitors for business, and special interest groups for communities (Fassin, 2009: 124). Then there are five stake-keepers represented in the model: government, civil society, the media, non-stakeholders, and others (Fassin, 2009: 124). Fassin’s model is presented in Figure 4.5.
4.5.2 Stakeholder classification and strategy models

A variety of stakeholder models – some on the classification of stakeholders and others on the formulation of stakeholder strategies – have been emerging in the stakeholder theory literature since the advent of Freeman’s (1984) publication of the strategic-management approach to stakeholders (Beach, Brown & Keast, 2009: 24). Some of these models, advanced by various scholars after being proposed by Freeman (1984), are reviewed in this section.

It is Freeman (1984) who initially proposed the original theoretical-stakeholder strategy matrix or “potential threat versus potential cooperation” matrix (Polonsky & Scott, 2005, 1200). However, it was Savage, Nix, Whitehead and Blair (1991: 65) who are credited for the advancement of this model, which they termed a “diagnostic typology of organisational stakeholders” (Lim, Ahn & Lee, 2005: 832; Polonsky & Scott, 2005, 1200; Rawlins, 2006: 5; Scholem & Stewart, 2002: 2482).

There are numerous stakeholder management models in the literature that are based on the “potential threat versus potential cooperation” matrix, used to categorise stakeholders and to determine appropriate stakeholder management strategies for respective stakeholder categories (Karlsen, 2002, 24; Lim et al., 2005: 832; Pajunen & Näsi, 2004: 525; Polonsky & Scott, 2005, 1200; Rawlins, 2006: 5; Riege & Lindsay,
An example of a “potential threat versus potential cooperation” matrix is represented in Figure 4.6.

<table>
<thead>
<tr>
<th>Stakeholder’s Potential for Cooperation with Organisation</th>
<th>Stakeholder’s Potential for Threat to Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH</td>
<td>HIGH</td>
</tr>
<tr>
<td>Stakeholder Type 4: MIXED BLESSING / SWING Group</td>
<td>Stakeholder Type 1: SUPPORTIVE / OFFENSIVE Group</td>
</tr>
<tr>
<td>Strategy: COLLABORATE / Change the Rules</td>
<td>Strategy: INVOLVE / Exploit</td>
</tr>
<tr>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>Stakeholder Type 3: NON-SUPPORTIVE / DEFENSIVE Group</td>
<td>Stakeholder Type 2: MARGINAL / HOLD Group</td>
</tr>
</tbody>
</table>


According to Savage et al. (1991: 64), the two dimensions – the potential for threat and the potential for cooperation – allow managers, or project managers, to categorise stakeholders into four types: supportive stakeholders, marginal stakeholders, non-supportive stakeholders, and mixed-blessing stakeholders, as represented in Figure 4.6. According to Polonsky and Scott (2005: 1201), these four types are also known as: offensive group, hold group, defensive group, and swing group, respectively, as represented in Figure 4.6.

This is the terminology originally used by Freeman (1984: 43). Savage et al. (1991: 64) stated that this approach helps the executive, or project manager, specify generic strategies for managing stakeholders with different levels of potential; and these strategies are: “involve” the supportive stakeholders; “monitor” the marginal stakeholders; “defend” the non-supportive stakeholders; and “collaborate” with the mixed-blessing stakeholders, as represented in Figure 4.6.
According to Polonsky and Scott (2005: 1201), the generic strategies for the four respective stakeholder categories are: “exploit” the offensive group; “hold the current position” with the hold group; “defend” the defensive group; and “change the rules” for the swing group, respectively, as represented in Figure 4.6. This is the terminology originally used by Freeman (1984: 43).

Lim et al. (2005: 832) provide a variation of these four stakeholder types: regulatory, community, organisational, and media – with the corresponding stakeholder management postures being: reactive, defensive, accommodative, and proactive. Lim et al. (2005: 832) also state that Bunn, Savage and Holloway (2002: 201) had suggested six stakeholder management strategies: lead, collaborate, involve, defend, educate, and monitor. In contrast, according to Lim et al. (2005: 832), Oliver (1991) offered a typology of five organisational response strategies: acquiesce, compromise, avoid, defy, and manipulate.

The ideal stakeholder supports the organisational, or project, objectives and functions. Such a stakeholder is low on potential threat, but high on the potential for cooperation. Examples of these stakeholders are: board of trustees, managers, staff employees, parent company, suppliers, service providers, and non-profit community organisations (Rawlins, 2006: 5; Savage et al., 1991: 64; Varvasovszky & Brugha, 2000: 344). According to Savage et al. (1991: 64), by consulting and engaging supportive stakeholders on important matters, managers or project managers “can maximally encourage the cooperative potential”.

Marginal stakeholders are neither highly threatening, nor especially cooperative – such a stakeholder is low on potential threat and also low on the potential for cooperation. Examples of these stakeholders are: consumer-interest groups, stockholders, and professional associations for employees (Rawlins, 2006: 5; Savage et al., 1991: 64; Varvasovszky & Brugha, 2000: 344). According to Savage et al. (1991: 65), monitoring helps manage marginal stakeholders; and by recognising that these stakeholders’ interests are narrow and issue-specific, managers, or project managers, can minimise the organisation’s, or project’s, expenditure of resources.
Stakeholders that are high on potential threat, but low on potential cooperation, are the most difficult for an organisation (or temporary organisation, such as a project) and its managers (or project managers). Examples of these stakeholders are: competitors, trade unions, government (national, provincial, and local), and sometimes the news media (Rawlins, 2006: 5; Savage et al., 1991: 64; Varvasovszky & Brugha, 2000: 344).

According to Savage et al. (1991: 65), non-supportive stakeholders are best managed by using a defensive strategy because the defence strategy tries to reduce the dependence that forms the basis for stakeholders’ interests in the organisation (or project).

The mixed-blessing stakeholder plays a major role. Such a stakeholder has the potentials to threaten or to cooperate; and these potentials are equally high. Examples of these stakeholders are: employees who are in short supply; clients or customers; and organisations with complementary products (Rawlins, 2006: 5; Savage et al., 1991: 64; Varvasovszky & Brugha, 2000: 344). According to Savage et al. (1991: 66), the mixed-blessing stakeholder may best be managed through collaboration. If the management maximises the stakeholders’ cooperation, potentially threatening stakeholders would then find it more difficult to oppose the organisation, or the project.

Worsley (2011: 23) provides a model, adapted from Herbemont, Cesar, Curtin and Etcheber (1998: 28), that classifies and manages stakeholders on the basis of how synergistic or antagonistic each stakeholder group is towards the project, as represented in Figure 4.7. It is a variation of the potential for threat versus the potential for cooperation model; however, it provides more stakeholder groups and their variations – as opposed to grouping stakeholders into the four quadrants of a matrix. Herbemont et al. (1998: 24) stated that project stakeholders, or players as they prefer to call them, fall into two camps: those who expend a lot of energy in the project, and those who do not expend much energy.

Herbemont et al. (1998: 24) defined synergy as the energy that a stakeholder expends on a project (or to support a project), and the antagonism as the energy that
a stakeholder expends opposing a project. These two dimensions can be equated to the propensity to be cooperative and the propensity to be a threat to the project, respectively.

<table>
<thead>
<tr>
<th>Synergy</th>
<th>Antagonism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zealots</td>
<td>Schismatics</td>
</tr>
<tr>
<td>Passives</td>
<td>Waverers</td>
</tr>
<tr>
<td>Moaners</td>
<td>Allies</td>
</tr>
<tr>
<td>Opponents</td>
<td>Mutineers</td>
</tr>
</tbody>
</table>

Worsley (2011: 23) states that stakeholder engagement is more about precision – getting the most precise or appropriate people in the process, while ensuring that the process of engagement itself is precise.

According to Worsley (2011: 23), the most important stakeholder group is what she refers to as “passives”, since the project outcomes are assured if this group is on board. Passives are the stakeholders who do not attend meetings, do not read notices, do not engage, or who do nothing. However in the final analysis, they do determine whether the project is successful or not.
It is almost impossible to engage this group of stakeholders because they are passive; as a result, a more complex engagement strategy is required than mere communication (Herbemont et al., 1998: 29; Worsley, 2011: 23).

Herbemont et al. (1998) and Worsley (2011) provide various stakeholder classifications based on the synergy/antagonism model. "Zealots" are those stakeholders who are passionate about the project; they have strong synergy about the project and no antagonism; and they support the project without question (Herbemont et al., 1998: 28; Worsley, 2011: 23). "Waverers" are those stakeholders who are fence-sitters – perhaps they will, and perhaps they will not support the project (Herbemont et al., 1998: 29; Worsley, 2011: 23). "Allies" are those stakeholders, who are “for” the project, but they have their own perspectives, they are seen to be “their own person”; and that gives them the influential edge (Worsley, 2011: 24). “Moaners” are those stakeholders who have weak synergy and little antagonism (Herbemont et al., 1998: 29). “Opponents”, the opposite of zealots, are those stakeholders that have more antagonism than synergy; however, they are sensitive to force (Herbemont et al., 1998: 29). “Mutineers” are those stakeholders who have very strong antagonism and weak synergy; they are insensitive to everything; and their antagonism drives them to prefer to lose everything, rather than let someone else succeed (Herbemont et al., 1998: 29). “Schismatics” are those stakeholders who have a very rare characteristic of high levels of synergy and antagonism; they are totally in favour of the project, but they believe it is not progressing in the correct manner (Herbemont et al., 1998: 29).


According to Mitchell et al. (1997: 853), by combining these three attributes, they generate a typology of stakeholders, propositions concerning their salience to the management of the organisation, and research and management implications. Mitchell et al. (1997: 854) went on to define stakeholder salience as the degree to
which managers, or project managers, give priority to contending stakeholder interests; and this is more than just the identification of the stakeholders (Mitchell, Agle, Chrisman & Spence, 2011: 235).

The stakeholder salience model is represented in Figure 4.8.

![Figure 4.8 Stakeholder salience model](source-url)

Mitchell et al. (1997: 869) define power as a relationship among stakeholders with contending interests, in which one stakeholder can influence or compel another stakeholder to do something that s/he would not have otherwise done. Mitchell et al. (1997: 869) define legitimacy as an assumption that the actions of an organisation, such as an urban development agency or government department, are necessary and informed by noble intents within the ambit of defined and accepted societal values and norms. Mitchell et al. (1997: 869) define urgency as the degree to which stakeholder claims call for immediate attention.
Pajunen and Nāsi (2004: 523) state that the stakeholder-salience model of Mitchell et al. (1997) could be used as an example of how managers, or project managers, can identify and classify different stakeholders in the organisation-stakeholder interaction or engagement; and there are seven possible roles of the stakeholders, according to their possession on three different attributes. These resultant seven stakeholder classifications derived from the overlapping of the three attributes are: dormant stakeholder; discretionary stakeholder; demanding stakeholder; dominant stakeholder; dangerous stakeholder; dependant stakeholder; and definitive stakeholder (Mitchell et al., 1997: 874; Pajunen & Nāsi, 2004: 524).

Dormant, discretionary, and demanding stakeholders have only one of the three attributes; consequently, the salience of such a stakeholder is low. These are latent stakeholders (Bunn et al., 2002: 194; Mitchell et al., 1997: 874; Pajunen & Nāsi, 2004: 524). Dominant, dangerous, and dependent players, in turn, possess two of the attributes; their salience for the firm is moderate; and these stakeholders can be seen as “expecting something”. These are expectant stakeholders (Bunn et al., 2002: 194; Mitchell et al., 1997: 876; Pajunen & Nāsi, 2004: 524).

Definitive stakeholders’ salience is high, because they possess each of the three attributes; and these are the most important stakeholders. These are definitive stakeholders (Bunn et al., 2002: 194; Mitchell et al., 1997: 878; Pajunen & Nāsi, 2004: 524).

Pajunen and Nāsi (2004: 525) maintain that in order to conduct the organisation-stakeholder interaction or engagement, the identification and classification of different stakeholders is inadequate; both stakeholders and the organisation also need explicit strategies. They mention three sets of stakeholder management strategy models, starting with the “diagnostic typology of organisational stakeholders” model by Savage et al. (1991: 64) that was discussed earlier in this section; the “power/interest” matrix of Johnson and Scholes (1999); and the “stakeholder-players’ influence strategy” model of Frooman (1999).

According to Pajunen and Nāsi (2004: 526), the power/interest matrix, of Johnson and Scholes (1999), adapted from Mendelow’s model, as represented in Figure 4.9,
demonstrates that the classification and the management of stakeholders should be informed and/or driven by the interest displayed by each stakeholder group in the organisation's objectives and strategic position, and whether such stakeholder groups possess adequate power in the bigger scheme of things. The resultant four stakeholder management strategies from this technique are: minimal effort; keep informed; keep satisfied; and key players.

<table>
<thead>
<tr>
<th>Power</th>
<th>Level of Interest</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimal Effort</td>
<td></td>
<td>Keep Informed</td>
</tr>
<tr>
<td></td>
<td>Keep Satisfied</td>
<td></td>
<td>Key Players</td>
</tr>
</tbody>
</table>


According to Pajunen and Näsi (2004: 526), Frooman (1999) examined the different types of stakeholders' influence strategies and the determinants of the choice of appropriate corresponding influence strategies. A summary of the main points of the resultant model are represented in Figure 4.10. The model defines four types of firm-stakeholder relationships: firm power, high interdependence, stakeholder power, and low interdependence (Frooman, 1999: 199; Pajunen & Näsi, 2004: 527).

As a result of this classification, four types of stakeholder influence strategies are suggested: indirect usage, direct usage, direct withholding, and indirect withholding (Frooman, 1999: 200; Pajunen & Näsi, 2004: 527).

<table>
<thead>
<tr>
<th>Is the firm dependent on the stakeholder?</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indirect / Withholding (low interdependence)</td>
<td>Indirect / Usage (firm power)</td>
</tr>
<tr>
<td></td>
<td>Direct / Withholding (stakeholder power)</td>
<td>Direct / Usage (high interdependence)</td>
</tr>
</tbody>
</table>

Source: Frooman (1999: 200)
The last classical model in this category of models is the one developed by Rowley (1997: 901). It is based on the social network theory, as represented in Figure 4.11 (Egels, 2005: 77; Garriga & Mele, 2004: 59; Kolk & Pinkse, 2006: 7; Schneider, 2002: 216). The model is premised on two assertions by Rowley (1997). Firstly, Rowley (1997: 890) states that “stakeholder relationships do not occur in a vacuum of dyadic ties, but rather in a network of influences; a firm’s stakeholders are likely to have direct relationship with one another”.

This assertion is in direct contrast to the stakeholder view of the firm theory, which places the organisation, or its management, as the central stakeholder with direct one-to-one relationships with the rest of the stakeholders, but not the organisation’s stakeholders having relationships with one another. Secondly, Rowley (1997: 894) states that the primary goal in stakeholder theory is to explain and predict how organisations would function with respect to stakeholder influences. Also this assertion leans more towards descriptive stakeholder theory, and to an extent instrumental stakeholder theory. However it is devoid of normative stakeholder theory prescripts; and it is mainly the ethical responsibility of organisations towards their stakeholders.

The first and second assertions lead to the first and the second dimensions, density and centrality, respectively, of Rowley’s model. According to Rowley (1997: 896), density measures the “relative number of ties in the network of inter-stakeholder relationships that link stakeholders together; and it is calculated as a ratio of the number of relationships that exist in the network, or the stakeholder environment, compared with the total number of possible ties if each network member (or stakeholder) were tied to every other member”.

Centrality refers to an “individual stakeholder’s position in the network relative to others; this measure evaluates a stakeholder’s prominence” (Rowley, 1997: 898). This leads to the Rowley argument that there are then four types of organisational behaviour to resist stakeholder influence: commander, compromiser, subordinate, and solitarian (Kolk & Pinkse, 2006: 3; Rowley 1997: 901; Scholem & Stewart, 2002: 2482).
According to Rowley (1997: 901), in a high density/high centrality situation, stakeholders have the ability to limit the organisation; but the organisation also has the ability to repel stakeholder power. As a result, the organisation assumes the position of a “compromiser”. The objective of compromising is to bargain for a situation that satisfies both sides, and then to create an atmosphere that minimises the likelihood of stakeholders jointly opposing the organisation (Rowley, 1997: 902).

According to Rowley (1997: 902), in a low density/high centrality situation, the organisation has the capability to repel stakeholder power. As a result, the organisation assumes the position of a “commander”. A low-density network hinders the flow of information, efforts to monitor the network situation or characteristics, and the development of common views. When stakeholders are not a cohesive unit in their resistance against the organisation, they will become passive. Under these conditions, where stakeholders have minimal interaction with one another, the focal organisation assumes the position of a “commander” (Rowley, 1997: 903).

According to Rowley (1997: 903), in a high density/low centrality situation, stakeholders have the ability to limit the organisation because they can communicate among themselves efficiently; and the organisation has no ability to repel stakeholder power. As a result, the organisation assumes the position of a “subordinate”. Rowley (1997: 903), citing Mintzberg, states that when “the stakeholders speak with a clear voice, the organisation must typically follow suit with a consistent set of goals”.  

---

**Figure 4.11 A structural classification of stakeholder influences**

<table>
<thead>
<tr>
<th>Density of the Stakeholder Network</th>
<th>Centrality of the Focal Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Compromiser</td>
</tr>
<tr>
<td>Low</td>
<td>Commander</td>
</tr>
<tr>
<td>High</td>
<td>Subordinate</td>
</tr>
<tr>
<td>Low</td>
<td>Solitarian</td>
</tr>
</tbody>
</table>

Source: Rowley (1997: 901)
According to Rowley (1997: 903), in a low density/low centrality situation, stakeholders have no ability to limit the organisation; and neither does the organisation have the ability to repel stakeholder power. As a result, the organisation assumes the position of a “solitarian”. In such situations, the organisation is unable to influence the direction of the network, because it occupies a peripheral position in the network, and also the stakeholders – because they are sparsely connected – cannot wield any influential power on the organisation. In such structural conditions, the organisation is, to an extent, isolated and detached from its stakeholders, and could function without experiencing noteworthy pressure from any of the stakeholders (Rowley, 1997: 904).

Most, if not all, of the various stakeholder classification techniques and stakeholder management strategies advanced by various scholars, as discussed in this section, lack any normative basis. These classifications and strategies are positioned such that they propose to maximise the goals of organisations (or urban development projects) by manipulating (external) stakeholders. It seems that the intent in employing these classification methods and management strategies is to give organisations (or urban development agencies) an edge in their collaborations and/or contentions with (external) stakeholders. They lack the appreciation of ethical considerations for (external) stakeholders’ right to exist, and the ethical responsibilities of organisations (or urban development agencies) towards their (external) stakeholders. These stakeholder management strategies do not recognise (external) stakeholders’ right to exist; and they lack ethical responsibility by organisations (or urban development agencies) towards their stakeholders. Their business (project scope) is clearly separated from ethical considerations in these approaches.

These stakeholder-classification methods and management strategies are more about the instrumentality of the stakeholders. Organisations (or urban development projects) employ these methods and strategies purely to minimise stakeholder related disruptions of their businesses (projects), and not because they have any sense of being ethically responsible towards their stakeholders.
4.5.3 Stakeholder management and strategy formulation process models

There are also stakeholder management process models (or stakeholder analysis process models) in the literature that prescribes the steps to be followed in performing stakeholder management. Two examples of these models are a five-step stakeholder analysis process model by Bunn et al. (2002) and a six-step stakeholder analysis process model by Karlsen (2002). There is also a stakeholder-strategy formulation-process model by Freeman (2010: 131), which was first introduced (by Freeman in 1984). This model is prevalent in stakeholder literature.

Bunn et al. (2002: 182) proposed a five-step stakeholder analysis process, and the steps are: (1) identify the key sectors and stakeholders relevant to the project; (2) describe the important characteristics of each stakeholder group; (3) analyse and classify the stakeholders, according to stakeholder attributes; (4) examine the dynamic relationship among the stakeholders; and (5) evaluate generic stakeholder-management strategies.

The identification of relevant stakeholders by an organisation requires a working knowledge of the environment and the individuals, communities, and organisations that have a “stake” (directly or indirectly) in its business. As the organisation familiarises itself more with its environment, other stakeholders will emerge and be added to the list; and the process would then iterate again through the subsequent steps in the stakeholder management process. The learning process is similar to that involved in building organisational memory relevant to new-product development creativity (Bunn et al., 2002: 182).

The description of stakeholder interests and resources is about understanding the nature of the stakeholders, and the reasons why they should be further considered in the analysis. This involves a description of the stakeholders in terms of their scope (local, regional, national, international), the reasons for their interests in the organisation’s business (benefits or liabilities to stakeholder group), et cetera (Bunn et al., 2002: 182).

The classification of stakeholders, according to stakeholder attributes is the most critical aspect of the stakeholder analysis process. The analysis performed in this
Step is based on the work of Mitchell et al. (1997), who proposed three attributes – power, legitimacy, and urgency – to categorise stakeholders into seven groups, based on whether they possess one, two, or three of these attributes (Bunn et al., 2002: 194).

The categorisation of stakeholders with respect to the attributes (power, legitimacy, and urgency) that they possess is not static. In reality, all the stakeholders have varying degrees of the attributes; and the extent to which a stakeholder possesses the attributes is changing constantly. The dynamic aspects of stakeholder relations are useful for predicting how and when a stakeholder might change to a different group, or how the firm could initiate changes in stakeholder positions (Bunn et al., 2002: 199).

It is only upon completion of due process entailed in the previous steps that appropriate stakeholder management strategies can be evaluated, customised, and implemented (Bunn et al., 2002: 200).

Karlsen (2002, 24) proposed a six-step stakeholder management process: (1) plan; (2) identify; (3) analyse; (4) communicate; (5) act; and (6) follow-up. The first step – plan – focuses on “the initiation of the process by defining the purpose of the stakeholder management process, and also planning the activities regarding the process” (Karlsen, 2002: 23). The second step – identify – focuses on the “identification of the stakeholders; this includes both stakeholders that are involved in the project and potential stakeholders; and there are several techniques that can support this work; for example, interviews with experts, brainstorming in group meetings, and the use of checklists” (Karlsen, 2002: 23).

The third step – analyse – focuses on analysing the stakeholders (Karlsen, 2002: 23). One method would be to use a technique, proposed by Savage et al. (1991: 64), that assesses the stakeholder “along two dimensions – the potential for threatening or affecting the project, and the potential for collaboration with the project” (Karlsen, 2002: 23). This assessment permits the manager, or project manager, to classify the stakeholders into four categories – supportive, marginal, non-supportive, and mixed-blessing (Karlsen, 2002: 23).
The fourth step – communicate – focuses on “communication of the stakeholder assessment to both the management and the project members; so that both the management and the project members would get an idea of who the stakeholders are, and how they could affect the project; and such a common understanding of the situation is also important in regard to the development of strategies for dealing with the stakeholders” (Karlsen, 2002: 23). The fifth step – act – focuses on “the development of implementation strategies for dealing with them. These are based on the typology of project stakeholders, as proposed by Savage et al. (1991: 64). Four different strategies are identified – “involve, monitor, defend, and collaborate” (Karlsen, 2002: 23). The sixth step – follow-up – focuses on “following-up the strategies and actions that have [already] been implemented” (Karlsen, 2002: 23).

Over and above the numerous stakeholder theory models proposed by Freeman (1984), he further introduced a stakeholder-strategy formulation framework, as represented in Figure 4.12 (Koson, 2008:18). In developing the framework, Freeman (1984: 131) introduced a process whereby stakeholder strategy could be formulated (Elijido-Ten, 2009: 6). According to Freeman (2010: 130), the framework consists of six major tasks: (1) Stakeholder Behaviour Analysis; (2) Stakeholder Behaviour Explanation; (3) Coalition Analysis; (4) Generic Strategy Development; (5) Specific Programmes for Stakeholders; and (6) Integrative Strategic Programmes, as represented in Figure 4.12.

This process can be tailor-made for the individual needs of a specific organisation (or urban development project); and it should not be viewed as a rigid set of steps to be followed at all costs; it is an exercise in strategic thinking; and the final output of this process is an action plan for stakeholders (Freeman, 2010: 130).
Freeman (2010: 131) states that the first analysis step in the construction of strategic programmes for stakeholder groups is the analysis of stakeholder behaviour. There is a tendency by managers to “assume far too quickly that a stakeholder group has a particular attitude or set of values”, especially when an organisation has a disagreement with them (Freeman, 2010: 132). According to Freeman (2010: 132), “there are at least three categories of behaviour for any stakeholder group on each issue: (1) the actual or observed behaviour; (2) the cooperative potential; and (3) the competitive threat”. With the analysis of stakeholder actual behaviour, the manager sets forth those behaviours that have actually been observed of a particular stakeholder. With the analysis of stakeholder potential cooperative behaviour the manager lists concrete behaviours that could be observed in the future that would help the organisation achieve its objective on the issue in question. With the analysis of stakeholder potential competitive threat behaviour, the manager lists those behaviours that could be observed in the future, that would prevent or help to prevent the organisation from achieving its goal (Freeman, 2010: 132).
The latter two stakeholder behaviour analysis aspects were discussed under stakeholder-strategy matrix earlier in section 4.5.2.

Freeman (2010: 133) states that the second analysis task in beginning the construction of strategic programmes for stakeholders is to build a logical explanation for the stakeholder's behaviour. It is quite easy for managers to claim that a certain stakeholder group is irrational, especially when there is a high degree of conflict between the organisation and the stakeholder (Freeman, 2010: 133). In this task, the manager is to put himself/herself in the stakeholder's place, and to try and empathise, but not to sympathise, with that stakeholder's position. That is, to try and feel what that stakeholder feels, and to see the world from that point of view (Freeman, 2010: 133).

According to Freeman (2010: 134), the manager must construct a "mental model" of a stakeholder group that generalises that manager's experience with the stakeholder by completing an analysis of objectives, stakeholders, and beliefs about the organisation. The completion of this task makes it possible to explain the stakeholder's actual behaviour, and to more fully understand why or why not cooperative potential and competitive threat are likely to predominate.

Freeman (2010: 135) states that the third analysis task in constructing strategic programmes for stakeholders is to search for possible coalitions among several stakeholders. The first two tasks, stakeholder behaviour analysis and stakeholder behaviour explanation, give two ways of analysing coalitions: possible commonality in behaviour in all three categories, and possible commonality of interests (Freeman, 2010: 135). That is, stakeholder groups who have similar actual, cooperative, or competitive behaviour may well be candidates for a coalition. Also, certain groups would share objectives, stakeholders, or beliefs about the organisation, and these groups would be more likely to form coalitions (Freeman, 2010: 135).

Coalitions may be explicit, whereby stakeholders get together and plan a joint initiative. However coalitions may also be tacit, whereby there is an implicit understanding among several groups that they will not interfere with the others'
goals, or that they will support each other on certain key issues (Freeman, 2010: 135).

In brief, by analysing stakeholder behaviour, explaining that behaviour, and searching for coalitions, managers can better understand what strategic programmes would be successful; they will also be better positioned to develop programmes which would appeal to the stakeholders (Freeman, 2010: 135).

The four generic stakeholder strategies within the stakeholder-strategy formulation framework, as proposed by Freeman (2010: 142) are, as earlier discussed under stakeholder-strategy matrix earlier in section 4.5.2. According to Freeman (2010: 142), because swing stakeholders have a strong ability to influence the outcome of a particular situation, strategic programmes which seek to change the rules by which the firm interacts with those stakeholders are appropriate. According to Freeman (2010: 142), because defensive stakeholders can be of relatively little help, but could take steps (behaviours) to prevent the firm from achieving its objectives, strategic programmes, which seek to defend the firm, are appropriate.

According to Freeman (2010: 142), because offensive stakeholders can help a great deal in achieving objectives, but pose little relative threat, opportunities for gain should be exploited in dealing with these stakeholders. According to Freeman (2010: 142), because some stakeholders can be of relatively little extra help or harm, existing or current strategic programmes should be sufficient.

Freeman (2010: 142) then further proposes the formulation of specific strategic programmes for key stakeholder groups within the stakeholder-strategy formulation framework, as represented in Figure 4.13.
### Figure 4.13 Freeman's specific stakeholder programmes

<table>
<thead>
<tr>
<th>Change the Rules Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Formal rules change through government.</td>
</tr>
<tr>
<td>2. Change the decision forum.</td>
</tr>
<tr>
<td>3. Change the kinds of decisions that are made.</td>
</tr>
<tr>
<td>4. Change the transaction process.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Offensive Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Change the beliefs about the firm.</td>
</tr>
<tr>
<td>2. Do something (anything) different.</td>
</tr>
<tr>
<td>3. Try to change the stakeholder's objectives.</td>
</tr>
<tr>
<td>4. Adopt the stakeholder's position.</td>
</tr>
<tr>
<td>5. Link the programme to others that the stakeholder views more favourably.</td>
</tr>
<tr>
<td>6. Change the transaction process.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Defensive Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reinforce current beliefs about the firm (&quot;preach to the choir&quot;).</td>
</tr>
<tr>
<td>2. Maintain existing programmes.</td>
</tr>
<tr>
<td>3. Link issues to others that stakeholder sees more favourably.</td>
</tr>
<tr>
<td>4. Let stakeholders drive the transaction process.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Holding Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do nothing and monitor existing programmes.</td>
</tr>
<tr>
<td>2. Reinforce current beliefs about the firm.</td>
</tr>
<tr>
<td>3. Guard against changes in the transaction process.</td>
</tr>
</tbody>
</table>

Source: Freeman (2010: 145)

Lastly, on the stakeholder strategy formulation framework, Freeman (2010: 150) proposes the formulation of an integrative strategic programme for multiple programmes. This is necessitated by two reasons. Firstly, even though there may be programmes for individual stakeholders, the sum of these programmes may not add up to the desired direction for the firm (or project) on the issue(s) under consideration. Secondly, by making the situation "win-win" for one stakeholder group this could lead a "win-lose" situation for another group.

There are two basic ways to tackle this issue. Firstly, there is the recognition that there are commonalities in behaviour and objectives; and hence, return to the analysis of the earlier section to discern common threads among stakeholder groups. Secondly, search for common threads among the strategic programmes developed for individual groups (Freeman, 2010: 150).
4.6 SUMMARY

This chapter has provided an overview of the theory and classical models of the stakeholder management concept.

The stakeholder theory background was briefly reviewed. Two important factors arose from the literature review with regard to the stakeholder theory background. Firstly, the stakeholder theory is a relatively recent inclusion in management literature. Secondly, the stakeholder theory is found in disciplines as diverse as economics, ethics, marketing, political science, and systems science (including project management).

The stakeholder concept was briefly reviewed. Having reviewed how various scholars view and conceptualise the stakeholder concept, in the context of this study, stakeholders (in particular urban development project external stakeholders) refer to all individuals, communities, and any groups whose socio-political, socio-economic, and/or socio-ecological circumstances are impacted – positively or negatively – by the urban development project’s scope and/or product scope.

However, because this study was triggered by having observed external stakeholders being dissatisfied by the handling of their issues by internal stakeholders, it has a sympathetic bias towards external stakeholders; and the term “stakeholders” in this study generally refer to external stakeholders, unless otherwise specifically stated.

The contemporary tri-stream perspective of the stakeholder theory was extensively reviewed. Having reviewed the stakeholder management theoretical war among stakeholder theorists, in the context of this study, all three stakeholder theory positions are valid. In urban development projects, project managers should appreciate the stakeholder environment, how it fits in with what an urban development agency is intending to implement through urban development projects, and what the interfaces are that enable this “enforced” (by urban development imperatives) partnership between the project team and project stakeholders – the descriptive view of stakeholder theory.
In urban development projects, project managers should appreciate that project success is determined not only on the basis of time, budget, and scope, but on the satisfaction of the entire stakeholder community, and as a consequence, project-stakeholder relations are instrumental to the eventual outcome (benefit or value) of an urban development project – the instrumental view of stakeholder theory. In urban development projects, project managers should appreciate the right of stakeholders to exist; these rights should be afforded the respect and recognition they deserve; and project teams should do the right thing by being ethical even in the technical aspects of a project like the project scope – the normative view of stakeholder theory.

The prevalent classical stakeholder management models were extensively reviewed. The three groupings of classical stakeholder management are all important in achieving the first secondary objective of this study: The stakeholder view of the firm models, the stakeholder classification and management strategies models, and the stakeholder management process and/or in the stakeholder strategy-formulation process models. The stakeholder views of the firm’s models are primarily descriptive; they describe the relationship that organisations (or projects) have with their stakeholders. However, they also recognise the instrumentality of all stakeholders as constituents of organisational (or project) success; and they, albeit implicitly, acknowledge the organisations’ (or projects’) responsibility towards their stakeholders.

The stakeholder classification and management-strategy models, as reviewed in this chapter, form the normative basis of the stakeholder theory. These classifications and strategies are positioned, such that they propose to maximise the goals of organisations (or urban development projects) by manipulating the (external) stakeholders. It seems as if the intent of these models is to give organisations (or urban development agencies) an edge in their collaborations and/or contentions with the (external) stakeholders. They lack appreciation of ethical considerations for (external) stakeholders’ right to exist, and the ethical responsibilities of organisations (or urban development agencies) towards their (external) stakeholders.

The stakeholder management process and/or in stakeholder-strategy formulation process models provide various detailed – stepwise – approaches towards the
management of stakeholders by an organisation (or project). All these model groupings lay the basis for addressing the objective of this study: to investigate the influence of various stakeholder management CSFs on stakeholder management success in urban development projects – as it is consolidated in Chapter 6.

The chapter has provided a solid theoretical basis for the entire study. It has provided an overview of the theory and classical models of the stakeholder management concept, which is a precursor to the first research secondary objective of identifying stakeholder management CSFs for urban development projects in South Africa. The next chapter will supply the research methodology, the design, and the process of the study.
CHAPTER 5: RESEARCH METHODOLOGY AND DESIGN

5.1 INTRODUCTION
The primary objective of the study is to develop a stakeholder management framework to improve stakeholder management in urban development projects in South Africa. This chapter provides the methodological paradigm, the research design, and the research process followed by this study in the development of a stakeholder management framework to improve stakeholder management in urban development projects in South Africa. The appropriate paradigm and research approach are selected and justified for this study from those already discussed.

The research design followed in the development of a stakeholder management framework to improve stakeholder management in urban development projects in South Africa is discussed. This primarily entails the selection and discussion of, among others, the appropriate study purpose, the research strategy, data collection and analysis methods, ethical considerations, and aspects of the research findings’ credibility for this study.

The research process followed in the development of a stakeholder management framework to improve stakeholder management in urban development projects in South Africa is discussed in this chapter. This entails a discussion of several research sub-processes that make up this study: The literature review, stakeholder interviews, expert interviews, instruments development, pilot study, survey study, and the statistical analysis.

5.2 METHODOLOGICAL PARADIGM
The methodological paradigm is basically the philosophical approach followed and employed by a researcher in undertaking a research; and it is mainly informed by the general purpose of the research: to build theory or to test theory. Several research methodology definitions, as represented in Table 5.1, have been advanced by various authors.
Table 5.1 Research methodology definitions by various studies

<table>
<thead>
<tr>
<th>Studies</th>
<th>Research Methodology Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dawson (2009: 23)</td>
<td>Research methodology is the philosophy or general principle which guides the research.</td>
</tr>
<tr>
<td>Gough (2002: 4)</td>
<td>Etymologically speaking, research methodology is the reasoning that informs particular ways of doing research, or the principles that inform its organisation.</td>
</tr>
<tr>
<td>Gough (2002: 5)</td>
<td>Research methodology refers to a theory of producing knowledge through research and it provides a rationale for the way the researcher proceeds.</td>
</tr>
<tr>
<td>Leedy and Ormrod (2010: 12)</td>
<td>Research methodology is the general approach the researcher takes in carrying out the research project; to some extent, this approach dictates the particular tools the researcher selects.</td>
</tr>
<tr>
<td>Remenyi, Williams, Money and Swartz (1998: 28)</td>
<td>Research methodology refers to the procedural framework within which the research is conducted. It describes an approach to a problem that can be put into practice in a research programme or process, which can be formally defined as an operational framework within which the facts are placed, so that their meaning may be seen more clearly.</td>
</tr>
<tr>
<td>Saunders, Lewis and Thornhill (2009: 3)</td>
<td>Research methodology refers to the theory of how research should be undertaken.</td>
</tr>
</tbody>
</table>

Source: Researcher

Briefly, every research begins with the definition of a methodological paradigm. A methodological paradigm is a framework within which the study is to be conducted; and it is determined primarily by the research question and/or objective. A methodological paradigm is determined by whether the researcher knows roughly in advance what s/he is looking for, or whether the researcher knows clearly in advance what s/he is looking for; and these two contrasting paradigms are known as the qualitative paradigm and the quantitative paradigm, respectively.

Methodological paradigms can be further viewed from the perspective of the research philosophy, and that of a particular research approach.

For the purpose of this study, a combination of both paradigms was adopted – the so-called mixed methodologies – with the quantitative paradigm being predominant over the qualitative paradigm. Mixed method research refers to a hybrid approach in
conducting research by combining the qualitative and quantitative paradigms in a single study (Johnson & Onwuegbuzie, 2004: 17).

The purpose of this study is to develop a framework to improve stakeholder management in urban development projects by investigating the critical success factors required for this framework. This was done primarily by identifying these critical success factors from the literature. These critical success factors were then contextualised in the South African setting by way of a limited qualitative study – interviews with internal and external stakeholders of two selected urban development projects.

These critical success factors were further confirmed and refined for the South African setting by way of a second limited qualitative study – interviews with selected expert project management scholars and project management practitioners. Then hypotheses were formulated from the resultant critical success factors and were tested in the South African setting by way of a full-fledged quantitative study – a questionnaire survey of project managers affiliated to a project management council and associations in South Africa.

The retrieved data were then analysed by way of quantitative methods – statistical analysis. Finally, the stakeholder management framework (the critical success factors) were quantitatively (statistically) ranked and reduced to minor dimensions (through factor analysis).

### 5.2.1 Research philosophy

According to Saunders et al. (2009: 109), the research philosophy can be thought of as being founded on the basis of ontology and epistemology. Ontology is about the nature of reality; it is concerned with the assumptions researchers have about the way the world operates and the commitment held to particular views (Saunders et al., 2009: 109). Yang et al. (2010: 52), citing Blaikie (1993), state that ontology refers to assumptions connected with a particular approach to social enquiry; and it answers the question: “What is the nature of the reality to be investigated?” There are two aspects of ontology: objectivism and subjectivism. Objectivism holds the position that
social entities (like organisations, societies, teams) exist in reality and are external to social actors concerned with their existence, that is, they have an existence which is separate from the people in them (Greener, 2008: 17; Saunders et al., 2009: 109). Subjectivism holds the position that social phenomena have no independent reality; they are created from the perceptions and consequent actions of those social actors concerned with their existence.

That is, every time we think about a social entity (like organisations, societies, teams) we are “constructing” it into some kind of reality: for example, an organisation only has existence in the minds of people (staff, managers, customers, suppliers, communities, government, or business researchers) (Greener, 2008: 17; Saunders et al., 2009: 109).

According to Saunders et al. (2009: 112), epistemology concerns what constitutes acceptable knowledge in a field of study. Yang et al. (2010: 52), citing Blaikie (1993), state that epistemology is the way knowledge can be gained in the reality being investigated and answers the question: “How can the knowledge of this reality be obtained?”

According to Saunders et al. (2009: 184), within business and management research, there are two dominant philosophical standpoints: deontology and teleology. The deontological view argues that the ends served by the research can never justify the use of research, which is unethical. Consequently, if the researcher adopts this view, the researcher would never use, for example, deception to obtain his/her research data, even if deception was necessary to ensure that the data were valid and reliable.

In contrast, the teleological view argues that the ends served by the researcher’s research justify the means. Consequently, the benefits of the researcher’s research findings would be weighed against the costs of acting unethically (Saunders et al., 2009: 184). In this study, the researcher adopted the deontological standpoint. As it will be illustrated in 5.4, the research process for this study was systematic and open, to ensure that all sub-processes are clear and devoid of concealing any action on the part of the researcher. It will also be discussed in 5.3.4 on researcher interference –
this study was conducted with minimum interference by the researcher; and this is also assured because this is a correlational study.

According to Sekaran (2003: 127), a correlational study is conducted with minimum interference by the researcher; whereas in a causal study the researcher attempts to manipulate certain variables, so as to study the effects of such manipulation on the dependent variables of interest.

According to Saunders et al. (2009: 107), research philosophy is an overarching term that relates to the development of knowledge and the nature of that knowledge. The research philosophy that the researcher adopts contains important assumptions on the way in which the researcher views the world. These assumptions would underpin the researcher’s research strategy, and the methods that the researcher chooses as part of that strategy (Saunders et al., 2009: 108). The way the researcher thinks about the development of knowledge affects the way the researcher goes about doing research.

There are broadly only two types of research philosophies: positivism and interpretivism.

For more than a century there has been a contention among scholars on the credibility of these two methodological paradigms: the so-called paradigm war. Scholarly groupings, qualitative purists and quantitative purists, have emerged from both sides of this contention (Johnson & Onwuegbuzie, 2004: 14). Quantitative purists or positivists believe that social observations should be treated as entities in much the same way that physical scientists treat physical phenomena. Further, they contend that the observer is separate from the entities that are subject to observation; as a result they maintain that social science inquiry should be objective, that is, it should comprise a time-free and a context-free generalisation (Johnson et al., 2004: 14; Remenyi et al., 1998: 32; Saunders et al., 2009: 114).

In contrast, qualitative purists or interpretivists contend that multiple-constructed realities abound; that time-free and context-free generalisations are neither desirable nor possible; that research is value-bound; that it is impossible to differentiate fully between causes and effects; that logic flows from the specific to the general; and that
knower and known cannot be separated – because the subjective knower is the only source of reality (Johnson et al., 2004: 14; Remenyi et al., 1998: 35; Saunders et al., 2009: 114).

Qualitative purists also are characterised by a dislike of a detached and passive style of writing, preferring instead, detailed, rich, and thick (empathic) description, written directly and somewhat informally (Johnson et al., 2004: 14; Remenyi et al., 1998: 35; Saunders et al., 2009: 114).

Out of these two divergent and broad philosophical standpoints emerged positivism and interpretivism, attributed to quantitative purists and qualitative purists, respectively.

Positivism is defined as a concept of knowledge, a concept of social reality, and a concept of science (Riley, 2007: 115). Firstly, it is an epistemology that identifies scientific knowledge with covering laws – that is, statements of the type: “If A occurs, then B will follow.” Secondly, it is an ontology that equates existence with objects that are observable. Thirdly, it is associated with a self-understanding of scientific activity in which social science is independent of the reality it describes (Riley, 2007: 115).

Lee (1999: 29) states that positivism refers to the belief that social-science research should emulate how research is done in natural sciences. According to Saunders et al. (2009: 113), if the researcher’s project reflects the philosophy of positivism then the researcher will probably adopt the philosophical stance of the natural scientist. The researcher would then prefer ‘working with an observable social reality and that the end-product of such research could be law-like generalisations similar to those produced by the physical and natural scientists’.

Interpretivism is defined as a philosophical view that assumes the existence of a ‘real world’, but neglects the possibility of achieving any objective knowledge of it (Niehaves, 2007: 4). In this context, knowledge (more specifically, the relationship between the object of knowledge and the knowledge achieved) is always influenced by the subject or individual (Niehaves, 2007: 4). Williamson (2006: 84) states that
interpretivism is a broad term that encompasses a number of different paradigms, all concerned with the meanings and experiences of human beings.

The central view of interpretivism is that people are constantly involved in interpreting their ever-changing world; researchers who are interpretivists believe that the social world is constructed by people; and it is, therefore, different from the world of nature (Williamson, 2006: 84). According to Saunders et al. (2009: 113), interpretivism advocates that it is necessary for the researcher to understand the differences between humans in their role as social actors. This emphasises the difference between conducting research among people rather than objects: such as trucks and computers.

The term "social actors" is quite significant in interpretivist philosophy (Saunders et al., 2009: 113).

There is, however, an emerging trend in scholarship to embrace both philosophies, and to apply them jointly. Saunders et al. (2009: 152) state that mixed methods philosophy is the general term used when both quantitative and qualitative data collection techniques and analytical procedures are used in a research design. In this hybrid philosophy, quantitative and qualitative data collection techniques and analytical procedures are used either at the same time (parallel), or one after the other (sequential); but they are not combined.

This means that, although mixed method research uses both quantitative and qualitative world views at the research methods stage, quantitative data are analysed quantitatively, and qualitative data are analysed qualitatively. In addition, frequently neither quantitative nor qualitative techniques and procedures predominate (Saunders et al., 2009: 152). The goal of mixing these philosophies in research is not to replace either of them, but rather to draw from the strengths and minimise the weaknesses of both in single research studies and across studies (Johnson & Onwuegbuzie, 2004: 14).

In this study, this hybrid philosophy was adopted, as it was substantiated in 5.2. This study adopted a sequential-mixed philosophy, commencing with stakeholder
interviews and expert interviews (or consultations), and concluding with a practitioner survey, where the positivist philosophical stance is predominant over the interpretivist philosophical stance. The primary objective of this study is to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management critical success factors (CSFs) that have an influence on stakeholder management success in urban development projects in South Africa.

Over and above the investigation of CSFs through the literature review, CSFs were then contextualised in the setting of two selected sensitive and volatile urban development projects in South Africa – the Johannesburg BRT project and the Gauteng Freeway Improvement project. CSFs were further confirmed through expert consultations; and they were finally ranked (correlational importance) through a survey.

The views and experiences of stakeholders in the two selected urban development projects in South Africa could best be collected and analysed qualitatively – by the researcher getting the feel of what really transpired in the project-stakeholder interactions. Contextualising the study (particularly the CSFs that arose from the literature review) by quantitative means would have been inadequate and inappropriate as a method/technique for extracting the contextual dynamics – particularly because of the sensitivity and volatility of the project-stakeholder interactions in these two selected projects.

That is, the most appropriate method was for the researcher to be the instrument in gathering such data, so as to be enabled to put project-stakeholder issues into their proper perspective. Also the confirmation and refining of CSFs arising from the literature review and contextual stakeholder interviews could best be achieved through face-to-face qualitative consultations with project experts (academia and practitioners).

On the other hand, the ranking (correlational importance) of CSFs (arising from the literature review, contextual qualitative interviews, and expert qualitative consultations) by a sample of projects practitioners in South Africa could best be
conducted via the quantitative means – a questionnaire survey in this case – primarily because of the huge number and vast geographic spread of target respondents, and also because the CSFs hypothesised from the literature review, contextual qualitative interviews, and expert qualitative consultations needed to be adequately tested.

Even though this study is largely quantitative, it was however essential to incorporate the limited qualitative study, in order to contextualise and confirm the CSFs (arising from the literature review) before being subjected to a quantitative test.

5.2.2 Research approach

According to Saunders et al. (2009: 124), theory is the basis for all academic research – the employment of theory may be explicitly stated in the research design, or it may be stated and substantiated in the findings and conclusions report. The research approach – whether inductive or deductive – that the researcher adopts is informed by the researcher’s degree of clarity early in the research process. With an inductive research approach a theory emerges (or is developed) from the data gathered and analysed. In contrast, with a deductive research approach, the data are gathered and analysed to test a theory or a hypothesis – which is a tentative theory (Saunders et al., 2009: 124).

In this study, the existing theory (from the reviewed literature), contextual interviews, and consultative interviews were used to develop hypotheses by using the inductive approach; and these hypotheses were then tested by using the deductive approach, as substantiated in 5.2.

5.3 RESEARCH DESIGN

Unlike the research methodology, which is more philosophical and conceptual, the research design has more to do with the specific and tangible attributes of the process used in undertaking the research. However, research design, by and large, is informed by the methodological paradigm adopted. Sekaran (2003: 117) states that research design is preceded by the identification of concepts that constitute the
problem issue, and by the theoretical framework, and that it is a step to plan the research in such a way that the relevant data required to answer the research question are available, and can be collected and analysed.

According to De Poy and Gitlin (1994: 5), the research design constitutes the researcher’s clearly specified thought and action processes; and these processes must be rational, comprehensible, constructive, and substantiated. The thought and action processes followed by the researcher constitute the research design. Albarran, Chan-Olmsted and Wirth (2006: 580) also state that research design refers to how a research project is planned and structured, including the exemplar to be studied, the variables to be compared and examined, and the data collection methods to be used.

The design of a research project is of paramount importance, because, if a project’s design is flawed by the standards of the paradigm in which the scholar is operating, then the value of the findings would be questionable. Some of the literature refers to the research design as a blueprint, an organisation, or a tactic of the research, since it directs the research in a manner that generates precise research answers to precise research questions (Albano, 2011: 2; Altaher, 2010: 3; Babbie & Mouton, 2001: 74; Earley, 2002: 1; Greener, 2008: 38; McMillan & Schumacher, 1993: 31; Saunders et al., 2009: 136).

According to Sekaran (2003: 117), through research design the researcher addresses the characteristics (various research design issues) of a research, which enable/guide the research process in ensuring that the requisite and appropriate data can be gathered and analysed to arrive at the research goal. The research characteristics that are addressed by way of research design include mainly: (1) the study purpose; (2) the research strategy or the research method; (3) the investigation type; (4) researcher interference; (5) analysis unit; (6) study setting; (7) time horizon; (8) sampling design; (9) data collection; (10) data measurement; and (11) data analysis (Saunders et al., 2009: 136; Sekaran, 2003: 117; Yang, 2010a: 49). These research characteristics – and appropriate choices for this study – are represented in Figure 5.1, and will be discussed in subsequent sub-sections.
Figure 5.1 Research design

Details of Study

<table>
<thead>
<tr>
<th>Study purpose</th>
<th>Research strategy / method</th>
<th>Investigation type</th>
<th>Researcher interference</th>
<th>Measurement and measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
<td>Interview</td>
<td>Correlations</td>
<td>Minimal</td>
<td>Scaling: nominal ordinal interval ratio</td>
</tr>
<tr>
<td>Description</td>
<td>Survey</td>
<td>(establishing the extent of association between factors and problem)</td>
<td>(studying events as they normally occur)</td>
<td></td>
</tr>
<tr>
<td>Hypotheses testing</td>
<td>Triangulation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data Analysis

<table>
<thead>
<tr>
<th>Problem Statement</th>
<th>Analysis unit (population to be studied)</th>
<th>Study setting</th>
<th>Sampling design</th>
<th>Time horizon</th>
<th>Data collection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organisation</td>
<td></td>
<td>Non-probability</td>
<td>One-shot</td>
<td>Interview</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sample size</td>
<td>(cross-sectional)</td>
<td>Questionnaire</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(800)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from Sekaran (2003: 118) and Yang (2010a: 49)

5.3.1 Study purpose

Saunders et al. (2009: 138) state that a researcher thinks about his/her research project in terms of the question the research proposes to answer, and the objectives it intends to achieve. The research purpose can be any one of the three: exploratory, descriptive, or explanatory. However, a research project can have more than one purpose; and it can constitute a combination of two or more purposes (Saunders et al., 2009: 139).

Sekaran (2003: 119) states that studies may be either exploratory, or descriptive, or may be conducted to test the hypotheses.
An exploratory study refers to a study that has a limited theoretical foundation – very little has been documented or researched on the subject – and its purpose would be to acquire new views about a phenomenon or entity (Albarran et al., 2006: 565; Saunders et al., 2009: 139; Sekaran, 2003: 119). In such cases, preliminary work is done to attain some acquaintance and fundamental knowledge of the phenomenon or entity. This is usually done through qualitative observations and interviews, before any theories are developed or hypotheses formulated for subsequent testing (Albarran et al., 2006: 559; Sekaran, 2003: 119).

A descriptive study refers to a study whose purpose is to outline and describe the attributes of a phenomenon or entity (Albarran et al., 2006: 534; Goddard & Melville, 2006: 9; Saunders et al., 2009: 140; Sekaran, 2003: 121). According to Sekaran (2003: 121), descriptive and parametric statistics, such as mean scores, median stats, and/or frequency proportions, are usually employed in descriptive studies.

An explanatory study refers to a study whose purpose is to explain the cause-and-effect relationships between the characteristics of a phenomenon or entity (Saunders et al., 2009: 140). According to Sekaran (2003: 124), explanatory studies usually employ hypothesis testing, in order to explain the cause-and-effect relationships between the characteristics or attributes of the phenomenon or entity being researched.

The purpose of this study is primarily exploratory. Several related studies on critical success factors and/or stakeholder management have been conducted in construction projects (Chileshe & Haupt, 2005; Nguyen, Ogunlana & Lan, 2004; Toor & Ogunlana, 2009; Toor & Ogunlana, 2010; Yang, Shen, Ho, Drew & Chan, 2009a; Yang, Shen & Ho, 2009b; Yang, Shen, Ho, Drew & Xue, 2010; Yang, 2010a).

However, there seems to be no literature specifically on urban development projects and stakeholder management in urban development projects. Urban development projects have added facets to those of construction projects; and as a result, it was necessary for this study to first gain insight into stakeholder management in urban development projects through interviews with urban development internal and
external stakeholders – and also with project management academic and practitioner experts.

The purpose of this study is also descriptive. The stakeholder management framework proposed in this study comprises critical success factors – clearly describing the characteristics of the variables in stakeholder management in urban development projects. Parametric statistics, such as mean scores, were used in this study; however, for reasons substantiated in 7.5.2 nonparametric statistics were also used in this study.

The purpose of this study is ultimately to test the hypotheses. In this study this is achieved through a comparative analysis of project management practitioners’ views on the relative significance and factor analysis of the critical success factors (CSFs) that constitute the proposed stakeholder management framework.

5.3.2 Research strategy (or research method)

Saunders et al., (2009: 141) state that research strategy is the chosen method that enables the researcher to answer his/her particular research question(s), and to meet his/her research objective(s). A list of generic research strategies, though not exhaustive, constitutes: action research; archival research; case-study research; experiment; ethnography; grounded theory; interview; and survey (Greener, 2008: 35; Saunders et al., 2009: 141). These research strategies should not be viewed as discrete methods; there are research situations where more than one research strategy is used collaboratively with others (Saunders et al., 2009: 141).

For the purpose of this study, interview and survey are used collaboratively as a combined research strategy.

According to Yang et al. (2010: 55), citing Kelly (2005), interview research strategy is a method of eliciting a large quantity of facts, knowledge, and/or opinions from a selected sample of respondents. Yang et al. (2010: 55) also affirms that it is a suitable method to collect the practitioners’ experience in stakeholder management.
However, in this study it was also used as a method to collect the stakeholders’ experiences in stakeholder management in urban development projects.

The survey research strategy, also referred to as a questionnaire study, is the most common research strategy; and it is usually associated with the deductive approach – and particularly studies that are exploratory, descriptive, and those that test the hypotheses (Albarran et al., 2006: 236; Saunders et al., 2009: 144). It is a useful method for providing knowledge on the frequency of occurrence of specified variables and the relationships among the same variables, and to produce models of these relationships (Albarran et al., 2006: 236; Saunders et al., 2009: 144).

Survey research strategies are popular, primarily because of their economical nature, also because large quantities of standardised data can be gathered from large samples by administering questionnaires to them, and also because standardised questionnaire data can be easily analysed by using statistical methods (Saunders et al., 2009: 144). In this study the survey strategy was used to collect the data by way of questionnaires from a sizeable sample of projects practitioners; and the resultant data were used for correlational analysis and factor analysis.

This study used a triangulation research strategy; that is, it employed dual data sources, collection methods, and analysis techniques across the two research approaches. According to Greener (2008: 36), triangulation is a method in which different data collection and analytical methods – either qualitative or quantitative – are used. This occurs where both qualitative and quantitative data collection and analytical methods (for example, interview and survey) are used. Saunders et al. (2009: 144) state that triangulation is the employment of more than one data source or data-gathering methods are used to substantiate the research findings within a study; however, the sources and/or the methods should be independent of each other. The collaboration of different methods – such as interview and survey – in a study enriches research because it enables the researcher to offset the weaknesses of one method by compensating with the strengths of the other (Dawson, 2009: 20).
5.3.3 Investigation type

To find an answer to a research issue at hand, according to Sekaran (2003: 126), the researcher should determine whether a causal or correlational study is needed. A causal study is required to ascertain a definite cause-and-effect relationship between variables, whereas a correlational study is required where the need is to identify important factors or variables associated with the problem (Sekaran, 2003: 126). Saunders et al. (2009: 588) state that a causal relationship is a relationship between two or more variables in which the change (effect) in one variable is caused by the other variable(s); whereas a correlation relationship is the degree to which two or more variables are related to each other.

This study is a correlational study because its primary aim is to establish important factors (critical success factors) associated with stakeholder management (which seems to be the problem in urban development projects in South Africa). This study does not attempt to answer questions like: “Does stakeholder identification cause stakeholder management success?” – a causal-study question. Instead it attempts to answer the question: “Are stakeholder environment, stakeholder recognition, stakeholder identification, stakeholder profiling, stakeholder classification, stakeholder interest, stakeholder communication, stakeholder participation, stakeholder education, stakeholder risk, stakeholder relations, and stakeholder strategy associated with stakeholder management success?” And if so, which of these contribute most to the variance in the dependent variable?” – A correlational study question (Sekaran, 2003: 126).

It must be emphasised that the two approaches are distinct, even high correlation does not necessarily prove causality (Hyndman, 2008: 64).

5.3.4 Researcher interference

According to Sekaran (2003: 127), the investigation type – causal or correlational – has a bearing on the extent to which the researcher interferes with the research. According to Sekaran (2003: 127), the researcher controls some independent variables in a causal study, in order to observe their effect on the dependent
variables; and in contrast, the researcher’s interference is minimal or insignificant in such a correlational study.

An example of a minimal researcher interference advanced by Sekaran (2003: 127) is as follows: A researcher who wants to conduct a correlational study on the effectiveness of factors that influence training in a work environment would have to develop a theoretical framework, gather and analyse the data, and then report the findings. The only, limited, interference with the work flow that would be encountered would be when the researcher conducts interviews with employees and administers the questionnaires (Sekaran, 2003: 127).

This is exactly the case with this correlational study; it bears minimal researcher interference. The aim of this study is to study (determine or identify) the critical success factors influencing stakeholder management effectiveness (success) in urban development projects. The process undertaken in this study is similar to that advanced in the example (Sekaran, 2003: 127). In this study, all the researcher had to do was to develop a theoretical framework for stakeholder management CSFs in urban development projects, collect the relevant data (stakeholder, expert, and practitioners views), and analyse them (statistically rank and group them) – to come up with the findings.

The only minimal interference by the researcher in this study was the stakeholder interviews and practitioners’ survey. To further ensure minimum interference by the researcher, the projects’ practitioners who participated in the questionnaire survey completed the questionnaires in their workstations (offices or homes), in the absence of the researcher, electronically through a link to the questionnaire in the university website.

5.3.5 Analysis unit
According to Sekaran (2003: 132), the analysis unit is determined by the research question or objective; and it refers to the level of aggregation of the data collected during the subsequent data analysis stage; and the analysis units are individuals, dyads, groups, organisations, and cultures. Albarran et al. (2006: 530) state that the
analysis unit is the entity being studied, and on which the data are being collected. Ultimately, many if not all of the variables in a data set are characteristics of it.

This study is about projects (organisations or temporary organisations); it is about (improving) stakeholder management in urban development projects (organisations or temporary organisations). Even though the data are collected from individuals, nevertheless the data collected are aggregated to project (organisation or temporary organisation) level because they are data about projects (organisations or temporary organisations).

5.3.6 Study setting
According to Sekaran (2003: 129), as is the case with researcher interference, the investigation type – causal or correlational – could have some bearing on the setting of the study. Correlational studies are invariably conducted in natural environments (non-contrived settings – so-called field studies), whereas some causal studies are conducted in natural environments (non-contrived settings – so-called field experiments); and most causal studies are done in artificial environments (contrived laboratory settings – so-called lab experiments) (Sekaran, 2003: 129).

This is a non-contrived field study conducted in natural non-contrived settings.

5.3.7 Time horizon
The time horizon refers to the number of times – once or more than once over a period of time – the researcher collects data in a study, in order to answer the research question. Such studies are usually either cross-sectional or longitudinal. A cross-sectional study, one-shot study, is a study in which the data are collected once; and in contrast, a longitudinal study is a study where the data are collected more than once over a time period – particularly if the study objective is to study changes over time (Hyndman, 2008: 16; Saunders et al., 2009: 155; Sekaran, 2003: 135).

According to Sekaran (2003: 135), in a cross-sectional study, the total data collection period may be days, weeks, or months. However, the data are collected once from
each respondent. According to Saunders et al. (2009: 155), cross-sectional studies often employ the survey strategy. The research objective of this study could be achieved by collecting data once from all the respondents. Consequently, this is a cross-sectional study.

5.3.8 Sampling design
According to Saunders et al. (2009: 210), whatever the research question(s) and objective(s), the researcher would need to consider whether s/he needs to use sampling. However, in some cases – seldom though – it may be possible to conduct a census, that is, to gather the data from all the members in the population of the study subject or interest. According to Albarran et al. (2006: 542), sampling is used primarily because it is more feasible and cheaper than a census. According to Goddard and Melville (2006: 34), a study population is a set, or a group, of all entities that constitute the study subject or interest; and a study sample is a subset or a representative group of the study population, such that general observations about the study population can be extrapolated from observing the study sample.

Sampling is a range of research techniques that enable the researcher to collect data from only a fraction (sample) of the total entity/unit (population) being studied, with the collected sample data being used to generalise the findings to the entire the population by answering the research question (Saunders et al., 2009: 210).

There are two types of sampling methods: probability and non-probability sampling. These two methods are sometimes referred to as representative and judgemental sampling, respectively (Albarran et al., 2006: 542; Greener, 2008: 47; Leedy & Ormrod, 2010: 205; Saunders et al., 2009: 213).

According to Albarran et al. (2006: 542), non-probability sampling is also called informal sampling, convenience sampling, model sampling, or “a sampling based on broad assumptions about the distribution of survey variables in a population”. According to Dawson (2009:53), purposive sampling (or non-probability sampling) is used if description rather than generalisation is the research goal. In probability sampling, the likelihood of each study population member being selected for the
study sample is known; and all the members have an equal chance of being selected.

In contrast, in non-probability sampling, the likelihood of each study population member being selected for the study sample is unknown or is unequal. There are five prevalent methods that are used in probability sampling; and they are: simple random, stratified random, multi-stage, cluster, and systematic sampling (Greener, 2008: 49; Leedy & Ormrod, 2010: 205; Saunders et al., 2009: 222). There are also five prevalent methods that are used in non-probability sampling; and these are: quota, convenience (or haphazard or accidental), self-selection, purposive (or judgemental), and snowball sampling (Greener, 2008: 48; Leedy & Ormrod, 2010: 211; Saunders et al., 2009: 235).

Convenience sampling involves selecting those units of the population that are easiest to obtain or access, or are readily available for the sample (Leedy & Ormrod, 2010: 212; Saunders et al., 2009: 241). According to Leedy and Ormrod (2010: 212), not all the research data need to be collected through careful, thoughtful sampling procedures.

From the limited qualitative aspect of this study the two most volatile urban development projects at the time the research was conducted were selected to collect the data; and this was done by way of interviews, from both internal and external stakeholders in the two urban development projects. Also, in the selection of project experts (academic and practitioner) no systematic procedure was followed. A search was conducted through the websites of various organisations (academic and project). Those who were accessible were contacted, and those who were willing to participate were interviewed.

From the predominantly quantitative aspect of this study, accessible projects practitioners (who are members of the ACPM and the SACPCMP) were surveyed. Accessible projects practitioners are those whose valid email addresses were sourced. The PMSA declined a request to survey its accessible membership, but gave permission to publish a notification about the survey on its website. And this option was not in line with this research’s design. The PMI-SA declined a request to
survey its accessible membership, whereas efforts to contact the APMSA officials were unsuccessful.

However, it should be noted that some projects practitioners hold multiple memberships; and as a result, the PMSA, the PMI-SA, and the APMSA members – who are also accessible members of the ACPM and the SACPCMP – were surveyed. Emails were sent to these projects practitioners, requesting them to participate in the survey through a web link to a questionnaire published in the NMMU website. The sampling technique used in both aspects of the study – qualitative and quantitative – was the non-probability convenience-sampling technique (Saunders et al., 2009: 241).

**5.3.9 Data collection**

Research data can be gathered in a variety of ways and from different settings and sources (Sekaran, 2003: 223). There are mainly three different data collection methods in social science research: interviews, questionnaires, and observations. However, there are numerous auxiliary data collection methods available to researchers, such as: focus groups, historical analyses, qualitative content analysis, desktop studies, secondary data examination, et cetera (Albarran et al., 2006: 545; Greener, 2008: 10; Saunders et al., 2009: 43; Sekaran, 2003: 223).

The choice of the appropriate data collection method depends on various factors like: the complexity or sensitivity of the topic; the population that is to be targeted; the extent of correctness desired; the response rate desired; the proficiency and experience of the researcher; the duration of the study; the availability of facilities, funds, resources and time for the study (Hyndman, 2008: 23; Sekaran, 2003: 224). Goddard and Melville (2006: 46) state that just as natural science researchers would use instruments, such as a barometer and a thermometer, the most common instruments used by social science researchers to measure are interviews and questionnaires.

One method of gathering research data is through interviews: interviewing sample members to obtain information on the subject of the research question and/or
objective (Sekaran, 2003: 225). An interview is a dialogue between the researcher and a study sample member (Goddard & Melville, 2006: 49). Interviews are structured, semi-structured, or unstructured, and they are conducted face-to-face, online, or telephonically (Albarran et al., 2006: 540; Dawson, 2009: 28; Sekaran, 2003: 225).

Interviews are frequently used in qualitative studies (Greener, 2008: 81). Saunders et al. (2009: 320) state that an interviewer-administered questionnaire, with pre-set questions, is usually used in structured interviews, and the interview scope is constrained by the predetermined questions. Semi-structured interviews use lists of the topics and questions to be covered. However, the order of questions is not necessarily fixed; and the topics and questions are also not necessarily fixed; but they provide a broad guide to the researcher/interviewer.

Unstructured interviews are informal and exploratory – usually without any predetermined topics – with only the research or interview subject being the guide (Saunders et al., 2009: 320).

Another data collection method is by administering questionnaires via email, the internet, mail, or personally. Questionnaires constitute questions on the study subject, usually with a range of alternative answers, to which study sample members give their responses (Goddard & Melville, 2006: 47; Sekaran, 2003: 236). Questionnaires are an efficient data-gathering method, when the researcher knows accurately what is required, and how to measure the variables being researched (Sekaran, 2003: 236). Questionnaires are frequently used in quantitative studies, and particularly in surveys (Albarran et al., 2006: 541).

In this study both the interview and the questionnaire were used as instruments for collecting qualitative data (from stakeholders and experts), and quantitative data (from practitioners), respectively.
5.3.10 Ethical considerations

Gathering data from people is an ethical issue; and in the course of gathering data, the research process should ensure that people are respected as individuals, their privacy is respected, they are not harmed, and that they are not subjected to needless research (Goddard & Melville, 2006: 49). It is incumbent on the researcher to ensure the confidentiality of the gathered data and its sources. Sources should be protected; and they should not be identified, or identifiable, in the research report.

The researcher should always bear in mind that the sources are human beings who do not only have rights to privacy, but who also deserve to be treated with respect (Goddard & Melville, 2006: 49; Sekaran, 2003: 248). Saunders et al. (2009: 183) state that ethics are about the researcher’s behaviour and correctness with regard to the rights of all the human beings affected – those who provide the research data, those who are the subject of the research, and those who are affected by the research results.

According to Sekaran (2003: 248), several issues with ethical implications should be considered and addressed when gathering research data, such as: Who commissions and/or funds the research? Who gathers the data, and who provides the data?

Dawson (2009: 153) takes the issue of ethical considerations even further, by stating that over and above the open and sincere declaration by the researcher on the gist and the intent of the research, the researcher should provide the respondents with a Code of Ethics when they agree to participate in the research; and this should be done just before they complete a questionnaire, or just before they are interviewed, or just before they participate in a focus group. The Code of Ethics would usually address several issues and guarantees that may be ethical and of concern to the respondents, such as their identity being kept anonymous, their responses being kept confidential, their right to comment being assured, and their fears being allayed by clarifying the protection of the data gathered and the presentation thereof in the final report.
However, the approach to this depends on the research, the participants, and the researcher’s methodological inclinations. Whereas some respondents would be interested in and would thoroughly scrutinise the list of ethical considerations, others would be turned off by such a long list of considerations. The researcher should thus be considerate and prepare two versions of the code – an abridged version and a detailed one – for those who are keen on details (Dawson, 2009: 154-155).

Albarran et al. (2006: 594) state that qualitative methods deliver much detail and unsurpassed depth, but they are also susceptible to certain distinctive risks for ethical contraventions. Interviews, case studies, and action research usually entail significant human interaction, person-to-person dialogue and observation, and a high level of trust between researcher and interviewee. Most social scientists agree on four basic guidelines for ethical practice: informed consent, the criteria for deception, privacy and confidentiality, and accuracy (Albarran et al., 2006: 594).

Ethics and ethical considerations when undertaking research are not only around data collection, but they cut across every aspect of the research process. According to Saunders et al. (2009: 184), the question of research ethics cuts across all aspects and stages of the research process; and it is about ensuring that all these aspects and stages are tackled in a responsible and ethical manner. These aspects and stages comprise: formulating and clarifying the research subject and/or topic; designing and/or selecting the research process; gaining access to the sources or the subject population; gathering the data; coding and storing the data; analysing the data; and reporting the findings (Saunders et al., 2009: 184).

Greener (2008: 40) states that ethics relate to certain moral choices that affect the decisions, standards, and behaviour when conducting research.

Greener (2008: 41) also mentions some research aspects, and cases that could raise ethical issues in research.

- Access – physical, cognitive, continuing – just getting at the appropriate people could be frustrating and tempt researchers to cut corners.
• Researcher identity – what do the respondents know about the researcher’s study? How will the data that the researcher collects be used? And whose data are they?

• Re-phrasing research questions on the basis of feasibility – that is, the researcher finds that his/her initial idea will not work because s/he cannot gain access to the right people. So the researcher may need to reduce his/her research question to one which is feasible, provided it is still valid and ethical.

• Convenience sampling – for example, using people the researcher knows, to take part, which could produce participants who simply want to please the researcher with their answers, or excluding troublesome views or statistics.

• Data recording – what if the tape or digital recorder does not work? Can the data be recreated from the researcher’s notes? Or does the researcher pretend it worked?

• Interviewing – What if the first interview turns up new ideas, which are then used in subsequent interviews? – Can the researcher include the first one in his/her data set?

• Transcripts – if the researcher transcribes an interview or conversation, what happens to it? Whose is it? How does the researcher label it? How exactly does the researcher transcribe? Does the researcher include repeated phrases or words? Does the researcher attempt to record body language, which may affect the meaning of what was said?

• Cheating in analysis when the results do not fit – it should be noted that provided the process was justified and conducted ethically and professionally, then, a not-very-exciting outcome does not really matter; not all researchers discover gravity or relativity, but all researchers can design sound research plans and carry them out professionally.

• Confidentiality in the research report – how does the researcher ensures it?

• Anonymity in the report – how does the researcher deal with it?

• Use of research data for new purposes – can the researcher recycle data, and how can the researcher get ethical approval for this?
5.3.11 Data measurement

Hyndman (2008: 17) states that the researcher thinks about data in terms of cases and variables. Albarran et al. (2006: 527) state that the building blocks of research are concepts and variables. A case is the unit of which the researcher is taking measurements; for example, individual, dyad, group, organisation (Hyndman, 2008: 17). Concepts and variables are entities that researchers study; scholars generally concur that concepts are abstract while variables are concrete (Albarran et al., 2006: 527). A variable is a measurement taken on each case, for example: age, score, grade-level, income, location, et cetera. A dependent variable measures the outcome of a study – sometimes referred to as a response variable. An independent variable attempts to explain the variation in the observed outcomes – sometimes referred to as an explanatory variable.

Many research problems can be thought of in terms of a response variable, and one or more explanatory variables (Hyndman, 2008: 17).

Sekaran (2003: 176) states that there are some entities and phenomena that can easily be measured through established, standardised, and objective measuring instruments; for example, the physiological phenomena pertaining to human beings, such as blood pressure (using sphygmomanometer in millimetres of mercury – mmHg), pulse rate (using electrocardiograph – ECG – scanner or heart rate monitor in beats per minute – bpm), body temperature (using thermometer in degrees Celsius – °C), body height (using tape measure in centimetres – cm), and body weight (using balance scale in kilograms – kg). In contrast, there are other entities and phenomena that are difficult to measure, because they are overwhelmed by subjectivity; for example, how people feel, their attitudes, and the perceptions they harbour (Sekaran, 2003: 176).

As a result, there are two types of variables: one lends itself to objective and accurate measurement; while the other is hazy and does not lend itself to precise measurement because of its subjective nature (Sekaran, 2003: 176). Such variables are not easily quantifiable.
According to Albarran et al. (2006: 531), another important consideration in measurement, other than the analysis unit, as discussed in section 5.3.5, is the level at which a variable is measured. There are four levels of measurement or types of scales. In their order of level – from the lowest level to the highest level – they are: nominal (also called categorical or qualitative or descriptive, or dichotomous if they can assume two values), ordinal (also called categorical or ranked), interval (also called quantifiable), and ratio (also called quantifiable), as represented in Table 5.2 (Albarran et al., 2006: 531; Greener, 2008: 56; Hyndman, 2008: 17; Saunders et al., 2009: 418; Sekaran, 2003: 185).

A scale is a mechanism by which individuals are differentiated, according to how they differ from one another on the variables of interest to a research study. This broadly categorises individuals on certain variables; and it differentiates between individuals, according to their varying levels of sophistication (Sekaran, 2003: 185). In some cases, the level of measurement is determined by an inherent characteristic of the concept being studied; whereas in other cases, the level of measurement is determined by choices that the researcher makes during concept explication (Albarran et al., 2006: 531).

A nominal scale allows the researcher to assign subjects to certain categories or groups that are mutually exclusive; for example, project management association, affiliation, or type of projects (Albarran et al., 2006: 531; Dawson, 2009: 130; Greener, 2008: 56; Saunders et al., 2009: 418; Sekaran, 2003: 185). An ordinal scale not only categorises the variables in such a way as to denote the differences among the various categories, it also rank-orders the categories in some meaningful way; for example, project manager education level, or stakeholder-identification importance (ranking) (Albarran et al., 2006: 531; Dawson, 2009: 130; Saunders et al., 2009: 418; Sekaran, 2003: 186).

An interval scale comes in the form of numbers with precisely defined intervals that allow the researcher to perform certain arithmetical operations on the data collected from respondents; but it does not have absolute zero as a value; for example, project manager salary (Albarran et al., 2006: 531; Dawson, 2009: 130; Greener, 2008: 56; Saunders et al., 2009: 418; Sekaran, 2003: 187).
A ratio scale not only measures the magnitude of the difference between the points on a scale, as does the interval scale; but it also measures the proportions in the differences; and it also has an absolute zero as a value; for example, project management experience (in years) (Albarran et al., 2006: 531; Dawson, 2009: 130; Saunders et al., 2009: 418; Sekaran, 2003: 189).

Table 5.2 Properties of the four scales

<table>
<thead>
<tr>
<th>Scale</th>
<th>Difference</th>
<th>Order</th>
<th>Distance</th>
<th>Unique Origin</th>
<th>Measures of Central Tendency</th>
<th>Measures of Dispersion</th>
<th>Some Tests of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>mode</td>
<td>--</td>
<td>$\chi^2$</td>
</tr>
<tr>
<td>Ordinal</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>median</td>
<td>semi-interquartile range</td>
<td>rank-order correlations</td>
</tr>
<tr>
<td>Interval</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>arithmetic mean</td>
<td>standard deviation, variance, coefficient of variation</td>
<td>$t$, $F$</td>
</tr>
<tr>
<td>Ratio</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>arithmetic or geographic mean</td>
<td>standard deviation or variance or coefficient of variation</td>
<td>$t$, $F$</td>
</tr>
</tbody>
</table>

Source: Sekaran (2003: 189)

All the four levels of measurements or scales are applicable to this research, as indicated, through the examples provided, which constitute some of the variables whose data are collected for this research. However, the example provided for the interval scale is arbitrary and irrelevant for this research.

5.3.12 Data analysis

Data analysis is the step that succeeds data collection in the research process (Sekaran, 2003: 301). According to Greener (2008: 83), qualitative data are first transcribed from recording before being analysed. Whereas according to Sekaran...
(2003: 301), quantitative data are first edited, coded, and categorised before being analysed by using statistical analysis. Unlike the quantitative data analysis, where the coding and categorising of the data fall into the data preparation stage, in qualitative data analysis coding and categorising of the data forms part of the data analysis activities (Albarran et al., 2006: 592; Dawson, 2009: 120; Greener, 2008: 83; Saunders et al., 2009: 490).

According to Saunders et al. (2009: 485), in qualitative data analysis, particularly where non-standardised interviews were audio recorded, the data are transcribed before they can be analysed. Transcribing is a very time-and-cost consuming exercise. Saunders et al. (2009: 343) estimate that a one-hour recording may take up to 10 hours to transcribe. According to Sekaran (2003: 302), in quantitative data analysis, particularly where the data collection instrument is a questionnaire with open-ended questions and responses that are qualitative, the data have to be edited first.

Then the next step is to code the quantitative data from the questionnaire. This is an equivalent of transcribing in qualitative data analysis. When coding the quantitative data, each possible response for each variable is allocated a code, usually a number. For example, for a question that asks the respondent to select his/her position from the options provided, “project manager” response could be allocated a code 1, “project engineer” a code 2, “project architect” a code 3, “programme manager” a code 4, “portfolio manager” a code 5, and “other” a code 6 (Sekaran, 2003: 303).

Then the last step in quantitative data analysis preparation is the categorisation, which in essence is grouping together, for analysis, all the questionnaire items or responses – that may be spread throughout the questionnaire – which measure the same concept or variable (Sekaran, 2003: 305).

The data are analysed by using data analysis procedures; and the selection of these depends largely on the data type and instrument used to collect data. Qualitative analysis techniques, such as coding, summarising, categorising, structuring, concordance, thematic, comparative, content, and discourse (or conversational) analysis are employed on qualitative non-numerical (word) data (Albarran et al.,
Quantitative analysis techniques, such as descriptive statistics, parametric statistics, nonparametric statistics, univariate analysis, bivariate analysis, and multivariate analysis are employed on quantitative numerical data (Albarran et al., 2006: 533-536; Dawson, 2009: 127-129; Saunders et al., 2009: 444 & 449). Some of these analysis techniques may be synonymous and/or derivatives of others, and there may also be some overlaps in meaning and/or content.

Qualitative data thematic analysis entails a highly inductive approach, where themes are not predetermined, but emerge from the data (Dawson, 2009: 119). Qualitative data comparative analysis entails a continuous comparing and contrasting of the data from the respondents – until there are no more new issues arising (Dawson, 2009: 120). Qualitative data content analysis entails allocating the data into predetermined categories; or the categories are allowed to emerge from the data (Dawson, 2009: 120). Qualitative data discourse (or conversational) analysis entails being attentive to the patterns of speech, as the data are collected: How the respondents talk about a particular subject; what metaphors they use; how they take turns in conversation, et cetera (Dawson, 2009: 124).

Descriptive statistics characterise or summarise observations from quantitative data for one, two, or more variables; whereas inferential statistics are used to draw inferences about a population based on the quantitative data being analysed (Albarran et al., 2006: 533). Quantitative data univariate analysis entails determining descriptive characteristics, and making summaries of the individual variables from the quantitative data – in essence counting responses per variable, and reproducing them, an example being frequency tables (Albarran et al., 2006: 533; Dawson, 2009: 127). According to Albarran et al. (2006: 534), descriptive research relies heavily on univariate analysis. Quantitative data bivariate analysis entails examining the relationship between two variables, examples being contingency tables (or crosstabs) and correlation coefficients, with the former merely cross-tabulating the frequency tables of two variables; and the latter assessing the strength of the association between two variables (Albarran et al., 2006: 535; Dawson, 2009: 129).
Quantitative data multivariate analysis entails examining the relationship between more than two variables in a similar way as in bivariate analysis, examples being factor analysis and path analysis (Albarran et al., 2006: 536; Dawson, 2009: 129).

Content analysis was used in this study to analyse the qualitative data collected through stakeholders and experts interviews. The questioning of (internal and external) stakeholders and experts during interviews and the analysis of their responses (qualitative data collected) was conducted through predetermined categories (stakeholder environment, stakeholder recognition, stakeholder identification, stakeholder profiling, stakeholder classification, stakeholder interest, stakeholder communication, stakeholder risk, stakeholder relations, and stakeholder strategy) – as identified through the literature review. However other categories (stakeholder participation and stakeholder education) were allowed and encouraged to emerge from the data.

Univariate, bivariate, and multivariate analyses were used in this study to analyse the quantitative data collected through the questionnaire survey of project management practitioners – to rank or determine the relative importance of each CSF, to assess the strength of the association between CSFs, and to determine the underlying relationships among the CSFs via factor analysis.

5.3.13 Credibility of research findings

The purpose of a (good) research design is to ensure or maximise the credibility of the research findings. At the end of each research, it is difficult to declare with absolute certainty that the research findings are credible. However, it is possible to eliminate every possible glaring doubt, bar the declared limitations of the study, on the credibility of the research findings. Therefore, the purpose of a (good) research design is to eliminate or reduce the possibility of incorrect research findings. The test of a (good) research design is the validity and reliability of its data collection, analysis process and content (Saunders et al., 2009: 156).
Validity refers to the extent to which the data collection instruments and data analysis techniques measure and analyse what they are intended to measure and analyse, and that the measurement and the analysis are both correct. It is about the truthfulness and/or correctness of the research findings, and the answers to the question: “Are the findings really about what they appear to be about?” (Albarran et al., 2006: 533; Goddard & Melville, 2006: 41; Greener, 2008: 37; Leedy & Ormrod, 2010: 28; Saunders et al., 2009: 157).

When confronting the issue of validity, the researcher should ask: “Does this question truly measure the extent of the significance of stakeholder communication, or is it tapping into something else? (Albarran et al., 2006: 533). Validity can be divided into three aspects: face validity (or content validity), construct validity, and internal validity (Goddard & Melville, 2006: 47; Greener, 2008: 37; Saunders et al., 2009: 589-593). Face validity refers to an agreement that a question, scale, or measure appears logically to reflect accurately what it was intended to measure (Goddard & Melville, 2006: 47; Saunders et al., 2009: 592).

Another view is that face validity refers to the validity of a method (data collection and analysis) at face value, so that even a lay person or a non-researcher should be able to see that the method is valid and that it makes sense (Greener, 2008: 37). Construct validity refers to the extent to which the measurement questions actually measure the presence of those constructs or variables they were intended to measure: that is, the extent to which the method (data collection and analysis) actually measures what the researcher thinks it measures (Goddard & Melville, 2006: 47; Greener, 2008: 37; Saunders et al., 2009: 589).

Internal validity refers to the extent to which the findings can be attributed to interventions rather than any flaws in the research design (Goddard & Melville, 2006: 47; Saunders et al., 2009: 593).

Reliability refers to the extent to which the data collection and the analysis procedures will yield consistent findings, that is, the procedures will yield the same findings when the entity being measured has not changed (Albarran et al., 2006: 533; Goddard & Melville, 2006: 41; Greener, 2008: 37; Leedy & Ormrod, 2010: 28;
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Saunders et al., 2009: 156). Greener (2008: 37), in addressing the reliability aspect of research findings, states that research should first be designed so that it is clear that another person can implement it, and yield the same findings, or such that it is clear enough to eliminate any doubt that the findings are credible, and were not compromised in any way.

According to Saunders et al. (2009: 156), reliability can be assessed through responses to the following three questions:
1. Will the measures yield the same results on other occasions?
2. Will similar observations be reached by other observers?
3. Is there transparency in how sense was made from the raw data?

Saunders et al. (2009: 373), citing Mitchell (1996), state that there are three common approaches to assessing reliability: test re-test; internal consistency; and alternative form. Test re-test estimates of reliability are obtained by correlating the data collected with those from the same questionnaire collected under as-near equivalent conditions as possible. The questionnaire, therefore, needs to be administered twice to the respondents. However, the longer the time interval between the two questionnaires, the less the likelihood is there that the respondents would answer the questions in the same way.

Internal consistency involves correlating the responses to each question in the questionnaire with those of other questions in the questionnaire. It, therefore, measures the consistency of responses across either all the questions, or a sub-group of the questions from the questionnaire. An alternative form would offer some sense of the reliability within the questionnaire – by comparing the responses with alternative forms of the same question or groups of questions. Where questions are included for this purpose, usually in longer questionnaires, they are often called ‘check questions’. However, it is often difficult to ensure that these questions are substantially equivalent.

The credibility of the research findings for this study is discussed in more detail in section 7.7.
5.4 RESEARCH PROCESS

According to Saunders et al. (2009: 10), the research process refers to a multi-stage process consisting of linked stages that the researcher follows in undertaking a research project. The research process gives the appearance of being organised in a linear manner; however, it is iterative in nature (Leedy & Ormrod, 2010: 86; Saunders et al., 2009: 10).

This study followed mainly the quantitative research paradigm and the survey research methodology; however, a preliminary limited qualitative study was utilised to contextualise and confirm the proposed stakeholder management framework through interviews with stakeholders from two case examples of urban development projects and from project management academics and practitioners. A stakeholder-management framework for urban development projects was developed from literature.

It was then contextualised by way of interviews with project managers, project sponsors, project business owners, and external stakeholders in two case examples of urban development projects. Consultative interviews with 13 project management professionals (academics and practitioners) were then undertaken to confirm the framework. It was then piloted with four projects practitioners from different industries, with the final questionnaire being administered among diverse projects practitioners (who are members of the ACPM, the APMSA, the PMI-SA, the PMSA, and the SACPCMP) to test the framework.

Finally, appropriate statistical analyses were employed on the empirical survey data – to justify and validate the resultant learning. The research approach for this study, as represented in Table 5.3, was adapted from research approaches of the following studies: Yang et al. (2009a); Yang et al. (2009b); Yang et al. (2010); Nguyen et al. (2004); Toor et al. (2009); Toor et al. (2010); and Chileshe et al. (2005).
### Table 5.3 Research framework

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Objective</th>
<th>Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature review</td>
<td>Identify CSFs from previous research on stakeholder management</td>
<td>Preliminary CSFs / stakeholder management framework</td>
</tr>
<tr>
<td>Stakeholder interviews</td>
<td>Obtain opinions of project managers; project sponsors; and external</td>
<td>Updated (contextualised) CSFs / stakeholder management framework</td>
</tr>
<tr>
<td></td>
<td>stakeholders of two case examples of urban development projects (Johannesburg BRT &amp; Gauteng Freeway Improvement)</td>
<td></td>
</tr>
<tr>
<td>Expert interviews</td>
<td>Obtain opinions of 13 professionals (academics &amp; practitioners) in project</td>
<td>1. Updated (confirmed) CSFs / stakeholder management framework</td>
</tr>
<tr>
<td></td>
<td>management on the identified and contextualised CSFs</td>
<td>2. Preliminary / pilot questionnaire</td>
</tr>
<tr>
<td>Pilot study</td>
<td>Pilot preliminary questionnaire to ensure suitability, comprehensibility,</td>
<td>Finalised questionnaire</td>
</tr>
<tr>
<td></td>
<td>validity, and reliability – with 4 projects practitioners in different</td>
<td></td>
</tr>
<tr>
<td></td>
<td>industries</td>
<td></td>
</tr>
<tr>
<td>Questionnaire survey</td>
<td>Administer questionnaire on mainly members of APMSA &amp; ACPM &amp; PMI-SA &amp;</td>
<td>Empirical data</td>
</tr>
<tr>
<td></td>
<td>PMSA &amp; SACPCMP (professional bodies of projects practitioners in S.A.)</td>
<td></td>
</tr>
<tr>
<td>Analysis &amp;</td>
<td>Prioritise CSFs and explore underlying dimensions</td>
<td>Revised CSFs through their rankings and structural relations</td>
</tr>
<tr>
<td>interpretation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from Yang et al. (2009a: 338)

### 5.4.1 Sub-process 1 – literature review

A critical literature review was conducted to provide background and practice setting of the study, to set a theoretical basis for the study, to create space in the literature for the study, and to identify the critical success factors (CSFs) for stakeholder management in urban development projects in South Africa. Literature on the urban development theory, the state of urban development in South Africa, and fraternal BRICS economies was discussed, as there seems, currently, to be no literature specifically on the management of urban development projects. Literature on the
project management theory and the practice of the management of projects in
general was discussed, as there seems, currently, to be no literature specifically on
the management of urban development projects. The literature on stakeholder
management theory and stakeholder management models was reviewed. The
literature on CSFs, related CSFs in projects studies, and related stakeholder
management in project studies were all reviewed. A preliminary theoretical
framework of CSFs for stakeholder management in South African urban development
projects was developed from the literature reviewed.

5.4.2 Sub-process 2 – limited qualitative study (stakeholder interviews)
To contextualise the stakeholder management framework for the study, the
preliminary CSFs identified by way of a critical literature review were verified and
filtered through the opinions, shared as experiences, of stakeholders who were part
of some urban development projects.

A limited qualitative study by way of interviews was conducted with stakeholder
communities in two case examples of urban development projects: Johannesburg
BRT and Gauteng Freeway Improvement. Semi-structured interviews were
conducted with project managers/teams, project sponsors, and external stakeholder
communities from these two case urban development projects.

The data collected were analysed by employing qualitative data analysis methods
(content analysis to be specific); and the findings were used to update the preliminary
stakeholder management framework for urban development projects by
contextualising the CSFs that were identified via the literature review.

5.4.2.1 Internal stakeholders’ interviews
Telephonic appointments, followed up by detailed emails, were made with the offices
of major internal stakeholders (project managers, project sponsors, and project-
implementing agencies) of the two selected urban development projects for this
study. Semi-structured interviews lasting about 60 minutes were conducted in the
offices of these respondents. Project managers of the Johannesburg BRT project
and the Gauteng Freeway Improvement project, principal project sponsors of these respective projects [Johannesburg Metro Transport MMC (member of mayoral committee) and National Department of Transport Director General], as well as the Chief Executive Officers (CEOs) of the implementing agencies of these respective projects [Johannesburg Development Agency (JDA) and South African National Roads Agency Limited (SANRAL)] were interviewed.

The objectives of these interviews were as follows:

- To understand their attitude towards stakeholders and stakeholder management;
- To understand their practice of stakeholder management:
  - to ascertain how close/how far the prevailing stakeholder management (attitudes & practice) were to the framework (10 CSFs) from the internal stakeholders’ perspective. At the time there were 10 CSFs identified through the literature review; the additional two CSFs arose from these stakeholder interviews.

**5.4.2.2 External stakeholders’ interviews**

Telephonic appointments, followed up by detailed emails, were made with the offices of the Johannesburg BRT project’s external stakeholders. Officials of the two mini-bus taxi associations that were central in perceived stakeholder challenges in this project, the association of bus operators, whose routes were affected by the implementation of this project, and the association of commuters who were using public transport and were affected by this project, were interviewed. Semi-structured interviews lasting about 60 minutes were conducted with the officials of GJRTC (Greater Johannesburg Regional Taxi Council), a Johannesburg-based structure affiliated to SANTACO (South African National Taxi Council), officials of NTA (National Taxi Alliance), officials of the South African Bus Operators Association (SABOA), and officials of the South African Commuters Organisation (SACO).

The aim was also to interview the officials of TSTA (Top Six Taxi Association), a Johannesburg-based structure affiliated to NTA; but the two leading officials of TSTA passed away within few months of each other prior to the commencement of this
study; hence, officials of the NTA were interviewed instead. Efforts to interview officials of the UTAF (United Taxi Associations Forum) were unsuccessful.

Telephonic appointments, followed up by detailed emails, were made with the offices of the Gauteng Freeway Improvement project external stakeholders (an association of road freight service providers, a political party, a civic organisation, and a labour organisation) that were vocal in the perceived stakeholder challenges in this project. Semi-structured interviews, lasting about 60 minutes, were conducted with the officials of the Road Freight Association (RFA), officials of the Democratic Alliance (DA) Gauteng, officials of the South African National Civic Organisation (SANCO) Gauteng, and officials of the Congress of South African Trade Unions (COSATU) Gauteng.

These interviews were conducted in the offices of these respondents. The invitations to participate in the interviews were not accepted by at least two external stakeholder associations: the Rail Road Association of South Africa (RRA), and the Automobile Association (AA).

The objectives of these interviews were as follows:
- To understand the experiences and perceptions of external stakeholders of stakeholder engagements (approaches, consultations, processes, and relations) as practised by internal stakeholders in these projects in being managed by the project management and sponsors:
  - To ascertain how close/how far the prevailing stakeholder management (experiences and perceptions) was to the framework (10 CSFs) from the external stakeholders’ perspective – at the time there were 10 CSFs identified through literature review; the additional two CSFs arose from these stakeholder interviews.

5.4.3 Sub-process 3 – limited qualitative study (expert interviews)
To confirm the stakeholder management framework for the study, by subjecting it to theoretical and practical scrutiny, the ten (10) CSFs identified by way of the critical literature review and contextualised through stakeholders’ interviews and the
additional two (2) CSFs identified through stakeholders’ interviews were verified/filtered through the opinions (shared as knowledge and experiences) of professionals (academics and practitioners), who were experienced in projects and project management.

A limited qualitative study by way of consultations and semi-structured interviews was conducted with thirteen (13) project management professionals (academics and practitioners) whose profiles are represented in Table 5.4. Telephonic appointments were made with the offices of these thirteen (13) project management professionals (academics and practitioners). These professionals were selected without the use of any scientific method; a search was conducted through the websites of various organisations (academic and projectised). Those who were accessible were contacted; and those who were willing to participate were interviewed. Semi-structured interviews lasting about 60 minutes were conducted in the offices of these respondents.

The objectives of these interviews were as follows:
- To confirm the suitability/appropriateness, criticality, clarity (phrasing), and comprehensibility of the framework (CSFs) – according to experienced academics and practitioners;
- To source input/feedback on the framework (CSFs);
  - To ascertain whether the framework has an academic standing and practice standing.
Table 5.4 Expert profiles

<table>
<thead>
<tr>
<th>Expert</th>
<th>Role in projects</th>
<th>Position</th>
<th>Experience (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Scholar</td>
<td>Professor in PM</td>
<td>43</td>
</tr>
<tr>
<td>2.</td>
<td>Projects Director</td>
<td>Commercial Projects Director</td>
<td>40</td>
</tr>
<tr>
<td>3.</td>
<td>PMP Trainer / Retired Project Engineer</td>
<td>PMP Training Facilitator</td>
<td>35</td>
</tr>
<tr>
<td>4.</td>
<td>Project Manager</td>
<td>Project Manager - Major Projects</td>
<td>32</td>
</tr>
<tr>
<td>5.</td>
<td>Scholar</td>
<td>Professor in PM</td>
<td>27</td>
</tr>
<tr>
<td>6.</td>
<td>Projects Director</td>
<td>President of PM Association</td>
<td>25</td>
</tr>
<tr>
<td>7.</td>
<td>Scholar</td>
<td>Professor in PM</td>
<td>20</td>
</tr>
<tr>
<td>8.</td>
<td>Projects Director</td>
<td>Commercial Director</td>
<td>17</td>
</tr>
<tr>
<td>9.</td>
<td>Scholar</td>
<td>Senior Lecturer in PM</td>
<td>15</td>
</tr>
<tr>
<td>10.</td>
<td>Portfolio Executive</td>
<td>Chairperson of PM Association</td>
<td>14</td>
</tr>
<tr>
<td>11.</td>
<td>Projects Director / Scholar</td>
<td>President of PM Association / Senior Lecturer</td>
<td>13</td>
</tr>
<tr>
<td>12.</td>
<td>Senior Project Manager</td>
<td>Head of PMO</td>
<td>12</td>
</tr>
<tr>
<td>13.</td>
<td>Scholar</td>
<td>Associate Professor in PM</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: adapted from Yang et al. (2009a: 341)

These experts were selected because they all had more than 10 years overall experience in project management; and they played different roles in projects and at different levels. The first version of the questionnaire was developed after the analysis and interpretation of the data collected through these interviews [approach adapted from Yang et al. (2009a: 340)]. The outcomes of these interviews have resulted in some modifications in the initial list of CSFs [approach adapted from Toor et al. (2009: 154)].
5.4.4 Sub-process 4 – instruments development

The integral part of research is to collect and/or measure the data; and this is done through an instrument (Goddard & Melville, 2006: 41). In this study two instrument types were used: interviews and questionnaires. The researcher must know precisely what data s/he needs to collect and measure, in order to answer the research question, and to meet the research objectives before developing the instrument (Saunders et al., 2009: 401).

An interview is a dialogue between the researcher and a study sample member used to obtain information on the issues related to the research question and/or objective (Goddard & Melville, 2006: 49; Sekaran, 2003: 225). It is usually used in qualitative studies; and it is either structured, semi-structured, or unstructured, and is conducted face-to-face, online, or telephonically (Albarran et al., 2006: 540; Dawson, 2009: 28; Greener, 2008: 81; Sekaran, 2003: 225).

In this research, an interview as a data collection and measuring instrument was used in the limited qualitative study, where stakeholder and expert views were solicited with the purpose of contextualising and confirming the proposed stakeholder management framework CSFs.

Interviews, whether structured, semi-structured, or unstructured, need to be planned in advance; and the questions, particularly in the first two, need to be prepared beforehand (Albarran et al., 2006: 559; Goddard & Melville, 2006: 46; Greener, 2008: 90). Certain qualitative principles have to be upheld in developing interview questions: the questions should not be leading, should not be ambiguous, should not be double-barrelled, and should be understandable (Greener, 2008: 90).

Also certain interviewer competencies are essential, in order to make the interview effective (for the purpose of the research), and to increase the likelihood of research credibility. The interviewer should possess the following competencies: knowledgeable (particularly on the research subject); clear; gentle; sensitive; open; steering; critical; remembering; interpreting; using appropriate language; testing and summarising; understanding; recognising and dealing with difficult respondents (Albarran et al., 2006: 560; Greener, 2008: 91; Saunders et al., 2009: 328).
Dawson (2009: 71) states that it is always advantageous for a researcher or interviewer to have a list of topics and/or questions that can be asked in a standard way, particularly for structured and semi-structured interviews. This also helps the researcher or interviewer to maintain discipline and effectiveness by ensuring that s/he does not ask leading questions or struggle for something to ask. By ticking off each topic from the list, as it is discussed, the researcher can ensure that all the topics have been covered (Dawson, 2009: 71).

Questionnaires consist of the questions on the study subject, usually with a range of alternative answers, to which study sample members record their responses (Goddard & Melville, 2006: 47; Sekaran, 2003: 236). They are usually used in quantitative studies, and particularly in surveys (Albarran et al., 2006: 541). In this research, a questionnaire as a data collection and measuring instrument was used in the main quantitative survey study – where the projects practitioners opinions were solicited with the purpose of confirming, ranking, and grouping the proposed CSFs that constitute the proposed stakeholder management framework.

Questionnaires are made up of closed questions and open questions (Goddard & Melville, 2006: 47). Closed (or structured) questions refer to questions where the respondents choose from a collection of alternatives (for example, true or false, male or female), or assign a score, or a ranking – usually using a Likert-type scale (for example, strongly disagree, disagree, neutral, agree, strongly agree). Open (or unstructured) questions refer to questions where the respondents answer questions in their own words (Goddard & Melville, 2006: 47).

In the main, there are six types of closed questions that are used in questionnaires: list (select any answer); category (or multiple choice – select one answer); ranking (put answers in order); rating (score or give a value to answer); quantity (respond with amount); and grid (complete matrix to provide more than one answer) (Greener, 2008: 67; Saunders et al., 2009: 401).

Goddard and Melville (2006: 48) – in discussing the quality of a questionnaire – state that a good questionnaire:
• Is comprehensive – it ensures that all the required data are gathered;
• Is concise – it ensures that it takes as little as possible of the respondents’ time and/or effort; and it uses mostly closed questions (often with a Likert-type five-point scale);
• Is clear – it ensures that the instructions on how to complete the questionnaire are simple and understandable;
• Is relevant – it ensures that all the questions asked are within the research subject and are necessary and relevant;
• Is precise – ensures that all the questions asked are understandable, unambiguous, and to the point;
• Is objective – it ensures that none of the questions are suggestive; and
• Is logical – it ensures that the general questions are asked first, followed by the core questions, and ending with the sensitive questions.

The purpose of a good questionnaire is to make it easy to use; and this would result in collecting credible data and increasing the response rate. In this study, the interview and questionnaire instruments were developed by following the principles advanced by various scholars in the preceding discussions.

As already discussed in section 5.3.13, the two fundamental criteria for instruments are their validity and reliability (Goddard & Melville, 2006: 41). The validity of a measurement instrument is the extent to which the instrument measures what it is intended to measure (Leedy & Ormrod, 2010: 28). During the development of the survey questionnaire for this study, every questionnaire question, other than the demographical questions, was scrutinised to ensure that they could unambiguously be linked to their specific CSFs.

The objectivity of the questionnaire was ensured by following scholarly methods of designing questions; for example, avoiding leading questions, double-barrelled questions, ambiguous questions, et cetera. Prior to subjecting the questionnaire to a pilot test for a validity and reliability scrutiny, the questionnaire was subjected to validity scrutiny and refinement in a session involving the researcher, the promoter, and the Director of the Unit for Statistical Consultation at NMMU. Through this
exercise, the questionnaire was refined to measure what it was intended to measure. Over and above these measures, the questionnaire was subjected to scrutiny by four projects practitioners during the pilot study stage of the study. All these measures were implemented to ensure that each question in the questionnaire, and the questionnaire as a whole, measures what it is intended to measure. However, the content and construct validity of the questionnaire instrument were further statistically analysed, and confirmed as discussed in 7.6.2 and 7.6.3, respectively.

5.4.5 Sub-process 5 – pilot study
A comprehensive draft questionnaire was developed from the outcomes of the literature review, the stakeholder interviews, the expert interviews, and the validity scrutiny and refinement session (involving the researcher, the promoter, and the Director of the Unit for Statistical Consultation at NMMU). Prior to administering the questionnaire, a pilot study was conducted to refine the items, and also to strengthen the validity and reliability. Four projects practitioners were approached to answer the questionnaire; their profiles are presented in Table 5.5.

The aim of the pilot study was to pre-test the suitability and comprehensibility of the questionnaire [approach adapted from Yang et al. (2009a: 341) and Toor et al. (2009: 154)].

The draft questionnaire was subjected to a validity scrutiny by asking each of the four pilot candidates to critique the composition and the manner of questioning or phrasing of the questions in the questionnaire. There were only a few, mainly cosmetic, comments or changes suggested, and these were incorporated into the final version of the questionnaire.

Reliability is the consistency with which a measuring instrument yields a certain result when the entity being measured has not changed (Leedy & Ormrod, 2010: 28). It is difficult to exercise total control over what may influence the reliability of the instrument, as other causes outside the jurisdiction of the research may impair the empirical evidence in the form of the data collected for the study. However, one
measure was conducted during the pilot study to test and/or ensure and/or improve the reliability of the instrument.

The test-retest method was employed; that is a hardcopy questionnaire was administered face-to-face on the selected four pilot study candidates, and then retrieved. Then a week to two weeks later the same questionnaire (electronically via email) was again administered to the same four pilot study candidates. The candidates did not know prior to the first pass that there would be a second pass. One of the four electronic questionnaires was not returned. Thereafter, the two sets of questionnaires were analysed for their degree of discrepancies.

No adverse discrepancies were found; and as a result, no further changes or refinements were performed on the instrument. However, the reliability of the questionnaire instrument was further statistically analysed and confirmed, using the Cronbach Alpha (α), as discussed in 7.6.1.

<table>
<thead>
<tr>
<th>Expert</th>
<th>Role in projects</th>
<th>Position</th>
<th>Experience (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Project Director</td>
<td>President of PM Association</td>
<td>25</td>
</tr>
<tr>
<td>2.</td>
<td>Programme Manager</td>
<td>Programme Manager – International Projects</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>Portfolio Executive</td>
<td>Chairperson of PM Association</td>
<td>14</td>
</tr>
<tr>
<td>4.</td>
<td>Programme Manager</td>
<td>Head of PMO</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: adapted from Yang et al. (2009a: 341)

5.4.6 Sub-process 6 – questionnaire survey study
A finalised questionnaire developed from the literature review and stakeholder interview outcomes, refined through expert interviews, validity scrutiny, and a refinement session as well as pilot testing was administered on the projects
practitioners. The final questionnaire was developed and published on the NMMU website for respondents to access and complete electronically via a website link provided to them.

Emails were sent to projects practitioners who are members of the ACPM and SACPCMP, and whose valid email addresses were sourced through their respective associations. The emails informed them of the survey (subject, purpose, and importance) and requested them to participate in the survey. The PMSA declined a request to survey its accessible membership, but gave permission to publish a notification about the survey on its website.

The PMI-SA completely declined a request to survey its accessible membership; while efforts to contact the APMSA officials were unsuccessful. However, it must be noted that some projects practitioners hold multiple membership; and as a result, the PMSA, the PMI-SA, and the APMSA members who are also accessible members of the ACPM and the SACPCMP were indirectly surveyed. From the total number of emails that were sent to SACPCMP members, according to the SACPCMP email report, 694 emails had an open status, that is, they were opened by the recipients. An opened email does not necessarily imply that it was read; however, an assumption is made that all of the 694 recipients who opened their emails read them; and this number can then be treated as the sample size. Hence, the assertion that a total of 694 projects practitioners were surveyed.

This implies that project managers across all fields were surveyed; however, their demographic affiliations were captured for analytical purposes. There are a limited number of urban development projects to warrant a sufficient population and/or sample to test the framework only among that population. The assumption is that project management principles are similar across the spectrum; project managers are more generalists than specialists (Meredith et al., 2003: 120). Although important, the technical know-how is not an absolute prerequisite in project management.

This is not a census, but a sample of an infinite number of projects practitioners in South Africa. The sample size of 694 project managers is a good sample size, as according to Leedy and Ormrod (2010: 214), beyond a certain point (about N = 5000)
the population size is almost irrelevant, and a sample size of 400 is adequate. The sampling technique employed in this research is the non-probability convenience-sampling technique (Saunders et al., 2009: 241).

The questionnaire was published on the NMMU website from March to June 2012. A total of 223 responses were recorded in the survey on the NMMU website. Taking into consideration the sample size of 694, the 223 responses translate to an approximately 32 per cent response rate, which is an acceptable response rate for email and postal surveys (Angloher, 2010: 202; Emory & Cooper, 1991: 333; Tippet, 2000: 279; Yang, 2010a: 84).

The questionnaire comprised six sections: a covering page or email explaining the purpose of the study, and assuring the respondents of their anonymity; background and demographic information of the respondents; stakeholder management practice of the respondents; stakeholder management key issues; the opinions of respondents on the significance of the stated CSFs on stakeholder management in urban development projects; open-ended comments/remarks on the comprehensibility of the questionnaire on stakeholder management issues in urban development projects. The respondents were requested to rate their degree of agreement on the criticality of each stakeholder management CSF, according to a five-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree) with reference to urban development projects (approach adapted from: Yang et al. (2009a: 341); Toor et al. (2009: 154); Chileshe et al. (2005: 141)). The questionnaire for the survey appears in Appendix iii.

5.4.7 Sub-process 7 – statistical analysis
The empirical data collected for this study were analysed using Microsoft Excel for univariate analysis and the Factor8.1 package for multivariate analysis – factor analysis in this instance. The SPSS (Statistical Packages for the Social Sciences) version 19 was also employed for the analysis of both the univariate and the multivariate statistics. Factor8.1 is a freeware factor analysis package written by Dr Lorenzo-Seva and Dr Ferrendo at Universitat Rovira i Virgili, Terragona, in Spain. The set-up and options are very similar to those from SPSS. Descriptive statistics on
respondent demographics and respondent-specific stakeholder management practice and key issues views were computed. Then, three types of analyses on the core objective of the study were conducted. Firstly, the relative importance or ranking order of the twelve (12) CSFs was determined – based on the responses. The statistical analysis in this instance entailed the ranking of the CSFs in the entire respondent sample; and in each respondent group type (position, experience, PM qualification, general qualification, PM certification, membership, and project type).

It also entailed the scrutiny of whether there is a general consensus on the rankings of the CSFs across the respondent groups. It also entailed the scrutiny of whether there is any correlation between the score values of the CSFs and the respondent group types. It also entailed the scrutiny of the true differences in perceptions on the relative importance of CSFs across the respondent groups. Secondly, a factor analysis was used to explore the underlying relationships among the twelve (12) CSFs.

This entailed the scrutiny of a possible underlying structure and/or dimensions that group the twelve (12) CSFs. Thirdly, according to Yang et al. (2009a: 341), citing Wong and Aspinwall (2005), validating and refining the CSFs is important for data analysis; therefore, reliability and validity tests on the raw data were conducted, based on the overall data and the results of the factor analysis [approach adapted from Yang et al. (2009a: 341) and Chileshe et al. (2005: 141)]. The final outcome being revised CSFs and their rankings and underlying dimensions, which is the finalised stakeholder management framework for urban development projects.

5.5 SUMMARY
This chapter has discussed the choice of a mixed paradigm, a hybrid philosophical approach, and a mixed ontology – with the quantitative paradigm being predominant over the qualitative paradigm, with the positivist philosophical stance being predominant over the interpretivist philosophical stance; and the objectivist ontology being predominant over the subjectivist ontology, respectively. Also discussed in this chapter has been the research design followed in this research. This entails the discussion of the choice between exploratory, descriptive, and hypotheses testing
study purpose for this research. This entails the discussion of the choice of triangulation consisting of a collaboration of interview and survey research strategies for this research. Other research design aspects and choices like: correlational investigation type, minimal researcher interference, organisation as a unit of analysis, non-contrived setting, cross-sectional time horizon, non-probability sampling design, interview and questionnaire data collection methods, scaling (nominal, ordinal, interval, ratio) data measurement, content analysis, ranking analysis, correlational analysis, and factor analysis – as data analysis approaches for this study – were also discussed in this chapter.

The research process followed in the development of a stakeholder management framework to improve stakeholder management in urban development projects in South Africa have also been discussed in this chapter. This entails the sub-process of identifying preliminary stakeholder management critical success factors required to improve stakeholder management in urban development projects in South Africa. It also entails the sub-process of contextualising the list of preliminary stakeholder-management critical success factors required to improve stakeholder management in urban development projects in South Africa – interviews with internal and external stakeholders of two selected urban development projects.

It also entails the sub-process of confirming the list of preliminary stakeholder management critical success factors required to improve stakeholder management in urban development projects in South Africa – this is also to finalise the hypothesised model – interviews with a selection of experienced project management scholars and project management practitioners. It also entails the sub-process of developing the measuring instrument (questionnaire) to test the hypothesised model – instrument development. It also entails the sub-process of testing, refining, and strengthening the measuring instrument (questionnaire) to test the hypothesised model – to ensure and/or improve the validity and reliability of the instrument – pilot study.

It also entails the sub-process of testing the hypothesised model through administering the measuring instrument (questionnaire) on the study respondents (population and/or sample) – survey study. It also entails the sub-process of analysing the empirical data collected from the study respondents (population and/or
sample) on the hypothesised model – by statistical analysis. It also entails the sub-process of learning – interpreting outcomes and discussing the findings of the study, including recommendations. In this chapter the researcher’s philosophical stance and the researcher’s thought-and-action processes adopted in conducting this research were clearly specified and discussed.

In the next chapter, a CSF theoretical model will be developed from fraternal literature; and a theoretical space is created for the study within the fraternal literature.
CHAPTER 6: THEORETICAL MODEL TO IMPROVE STAKEHOLDER MANAGEMENT IN URBAN DEVELOPMENT PROJECTS IN SOUTH AFRICA

6.1 INTRODUCTION

The study is about the management of stakeholders in urban development projects. The primary objective of the study is to improve stakeholder management in urban development projects in South Africa. The first secondary objective of this study is to investigate the influence of various stakeholder management critical success factors (CSFs) on stakeholder management success in urban development projects. These CSFs are identified through the literature review against the background of: (1) the state (programme, importance, and challenges) of urban development in South Africa; (2) the management of projects – the concept and practice; and (3) the theory and classical models of the stakeholder management concept.

Chapter 2 provided an overview of the state (programme, importance, and challenges) of urban development in South Africa. Chapter 3 provided an overview of the concept and practice of the management of projects. Chapter 4 provided an overview of the theory and classical models of the stakeholder management concept. Chapter 5 provided the methodological paradigm, the research design, and the research process followed in this study.

In this chapter, the CSFs’ approach in the development of a theoretical framework is discussed and justified from the basis of previous studies. Also in this chapter, select previous studies on stakeholder management in projects (other than urban development projects) are discussed, and a theoretical space is created for this study in the related literature. In the main, in this chapter, a theoretical model to improve stakeholder management in urban development projects in South Africa is developed. This is done in three steps or processes and on the basis of the context, practice, and theoretical foundation provided in chapters 2, 3, and 4, respectively.

Firstly, this is done by identifying the CSFs for improving stakeholder management in urban development projects in South Africa by reviewing the findings of previous studies. Secondly, it also done by contextualising the identified CSFs for improving
stakeholder management in urban development projects in South Africa – by analysing the stakeholder interviews conducted in the Johannesburg BRT project and the Gauteng Freeway Improvement project. Thirdly, this step is done by confirming the identified and contextualised CSFs for improving stakeholder management in urban development projects in South Africa by analysing the expert interviews conducted with 13 projects experts (academic and practitioners).

These three scholarly steps or processes provided the basis on which a hypothesised model of CSFs required for improved stakeholder management in urban development projects was developed. The hypothesised model will be tested through a questionnaire survey, and then subjected to a statistical analysis, in order to achieve the second and the third secondary objectives of this study. Then all three secondary objectives will culminate in the achievement of the primary research objective: to develop a CSFs’ stakeholder management framework to improve stakeholder management in urban development projects in South Africa.

6.2 CRITICAL SUCCESS FACTORS APPROACH
The study uses the critical success factors (CSFs) approach in the identification of stakeholder management CSFs, and this forms the basis for the envisaged stakeholder management framework for urban development projects in South Africa. The CSFs approach was first developed and used by J.F. Rockart (Toor et al., 2009: 150; Yang et al., 2009a: 337). However, Lin, Luarn, and Lo (2004: 602) claim that the CSFs approach was first proposed by D.R. Daniel in 1961, and then popularised by J.F. Rockart in 1979.

In keeping with the primary objective of this study, to develop a stakeholder management framework to improve stakeholder management in urban development projects in South Africa by investigating the influence of stakeholder management critical success factors (CSFs) on stakeholder management success in urban development projects, several CSFs definitions, as presented in Table 6.1, have been advanced by various authors.
Table 6.1 Critical success factors definitions by various studies

<table>
<thead>
<tr>
<th>Studies</th>
<th>CSFs Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockart in Yang et al. (2009a: 337)</td>
<td>CSFs are areas, in which results, if they are satisfactory, will ensure successful competitive performance for the organisation.</td>
</tr>
<tr>
<td>Rockart in Rosacker and Olson (2008: 62)</td>
<td>CSFs are those few key areas in which things must go right for an organisation to thrive.</td>
</tr>
<tr>
<td>Rockart in Andersen et al. (2006: 129)</td>
<td>CSFs are those features of projects which have been identified as necessary to be achieved in order to create excellent results; if CSFs are not present or taken into consideration, one could largely expect that problems will be experienced, which would act as barriers to the overall successful outcomes.</td>
</tr>
<tr>
<td>Rowlinson in Jefferies (2006: 453)</td>
<td>CSFs are those fundamental issues inherent in the project, which must be maintained in order for team working to take place in an efficient and effective manner; they require day-to-day attention and operate throughout the life of the project.</td>
</tr>
<tr>
<td>Saraph et al. in Yang et al. (2009a: 337)</td>
<td>CSFs are those areas of managerial planning and action that must be practised in order to achieve effectiveness.</td>
</tr>
<tr>
<td>Yang et al. (2009a: 337)</td>
<td>CSFs are those activities and practices that should be addressed, in order to ensure the effective management of stakeholders.</td>
</tr>
<tr>
<td>Rosacker and Olson (2008: 62)</td>
<td>CSFs are areas of activity that should receive constant and careful attention from management.</td>
</tr>
<tr>
<td>Nguyen et al. (2004: 405)</td>
<td>CSFs in a business context are any knowledge, skill, trait, motive, attitude, value or other personal characteristics that are essential to perform the job or role, and that differentiates solid from superior performance.</td>
</tr>
<tr>
<td>Ruuska and Vartiainen (2003: 307)</td>
<td>CSFs are competences for projects.</td>
</tr>
</tbody>
</table>

Source: Researcher

As a result of these definitions for CSFs, the CSFs’ approach is an established and proven good practice approach in various areas of academic research like project management, information technology, industrial systems, construction, process engineering, business development, and operations management (Toor et al., 2009: 150). The CSFs’ approach has been used successfully in numerous project management-related research aimed at improving the projects’ success rate (Rosacker et al., 2008: 60; Zwikael, 2008: 387). According to Yang et al. (2009a: 337), citing Chan et al., Jefferies et al., and Yu et al., many researchers have used the CSFs approach “as [a] means to improve the performance of the management
process”; that is, the method itself has a definite scholarly credibility (Francoise, Bourgault & Pellerin, 2009: 372; Jefferies, 2006: 453; Lin et al., 2004: 602; Liu & Seddon, 2009: 717).

What is being challenged, in some scholarly quarters, are the outcomes, CSFs lists, of certain research areas (Rosacker et al., 2008: 61; Toor et al., 2009: 150), but not the approach itself.

The critical success factors approach is, therefore, a universal business management method. According to Nguyen et al. (2004: 406), the application of the CSF method is very promising. Nguyen et al. (2004: 406), citing Munro and Wheeler (1980) and Boynton and Zmud (1984), also state that “CSFs can be used to direct an organisation’s efforts in developing strategic plans, to formulate a set of strategies, and to identify critical issues associated with implementing a plan”.

To summarise, paraphrase, and contextualise for the purpose of this study, stakeholder management critical success factors for urban development projects can be stated as any knowledge, attitude, and activity that is absolutely essential for the management of project stakeholders and all stakeholder related matters within the confines of an urban development project. These factors improve project performance when they constitute a comprehensive and coherent list, when they are all in place, and when they are implemented collaboratively. That is, the likelihood of stakeholder management success is derived from all these factors being present and implemented in an urban development project.

6.3 LOCATION OF THE STUDY IN LITERATURE

There are eight studies that have been identified from literature that are used as a theoretical starting point and a frame of reference for this study. These studies have been reviewed, and are closely related, and to some extent similar to this study; however, they differ from this study in a number of aspects. All of these eight are studies on CSFs in construction projects; and four of them are authored by the same scholars, and are specifically on the stakeholder management aspect of construction projects, whereas this study focuses on urban development projects.
The eight studies differ from this study, at least, on the following issues. Firstly, they all have a bias towards pure construction projects. Secondly, the first seven are conducted in the Far East and Oceania environment – Hong Kong, Vietnam, Thailand, Australia – with only one being conducted in South Africa by UK-based scholars. Thirdly, their outcomes do not precisely meet the framework aspect, and the comprehensiveness of the factors aspect of this study. The said studies are as follows: (1) Yang, Shen, Ho, Drew and Chan (2009a); (2) Yang, Shen and Ho (2009b); (3) Yang, Shen, Ho, Drew and Xue (2010); (4) Yang (2010a); (5) Nguyen, Ogunlana and Lan (2004); (6) Toor and Ogunlana (2009); (7) Toor and Ogunlana (2010); (8) Chileshe and Haupt (2005).

On the first aspect, as much as universal-stakeholder management is based on a premise that organisations and projects (as temporary organisations), are sub-systems within a bigger system that has socio-political, socio-economic, and socio-ecological implications; hence, organisations should conduct their business also with an outward view of their impact on the bigger system. However, these aspects of stakeholder management become central in the urban development context, as opposed to their peripheral characteristic in pure construction projects. Construction projects are about the erection of structures; and as a result, the view of project managers is limited to that: the structure.

On the other hand, urban development projects have the “improvement of livelihood” and “economic growth” aspect to them that project managers are, or should be, aware of, and operate under.

On the second aspect, the type of South African urban development projects, even though they may have similar objectives as elsewhere in the world, take on a unique objective, informed uniquely by the socio-political realities, which are mainly to redress the ills of the past political policies of separation that rendered the urban settlements and infrastructure extremely dysfunctional and unsustainable, as was discussed in 2.3.5. Urban development projects in South Africa also take on a unique character informed uniquely by socio-economic realities. The economic impact,
positive or negative, of urban development projects, like the Johannesburg BRT project on the informal mini-bus taxi industry, is a good example.

The economic impact, positive or negative, of urban development projects, like the Gauteng Freeway Improvement project on the motorists and road-freight industry is another example. These socio-political and socio-economic realities, in the South African context, as discussed in 2.6, at times lead to volatility and sensitivity in the process of implementing urban development projects. Therefore, the context of urban development projects in South Africa has an added dimension to it that may not be relevant in the Far East or Oceania.

Zwikael (2008: 389) argued that circumstances vary among nations; and as a result, project managers in different countries run projects of a similar nature, but in different ways. Even Yang et al. (2010: 1) attest to this in advocating that similar studies be conducted in other regions, by stating that since the empirical study was conducted only in Hong Kong and Australia, further studies should be conducted in other regions to validate and compare with the findings of their research.

The one study that was conducted in South Africa was conducted on construction projects; and its goal was to develop a construction project model, whereas this study intends to develop a stakeholder management framework for urban development projects.

On the third aspect, the outcomes of the first four of the eight studies are lists of CSFs for stakeholder management; however they do not seem to meet the framework criteria for this study; and neither are they comprehensive and coherent enough to meet the criteria of this study. The first four of the aforementioned studies constitute cumulative research on stakeholder management in the construction industry by mostly the same set of scholars, at least three having participated in all four studies. By their own admission, in their final and pinnacle study in this area, they argue that there are four research gaps that still need to be addressed – where the first two are that a comprehensive list of the factors affecting the success of stakeholder management has yet to be fully developed, and also that a systematic framework for stakeholder management needs to be further developed (Yang et al.,
2010: 9). This had also been stated by these scholars in their second research (Yang et al., 2009b: 169).

In their first study they came up with a list of 15 CSFs. The first CSF they identified was “managing stakeholders with social responsibilities (economic, legal, environmental, and ethical)”; although this CSF is in line with the stakeholder management imperative of understanding the stakeholder environment and recognising stakeholders, it has a corporate social responsibility (CSR) connotation. As argued in 4.4, stakeholder management should not be reduced to corporate-social responsibility, because it is more than that; instead it is about fusing corporate economics with ethical responsibility (Agle et al., 2008: 185).

This argument is further strengthened by Freeman (2004: 231) by stating that the validity of the stakeholder theory renders the CSR idea irrelevant and unnecessary because, in normative stakeholder management, stakeholders’ interests are integrated into the objectives and functions of the organisation; and as a result, there is no room for CSR as a separate function. Stakeholder theory is synonymous with stakeholder management (Freeman, 1994: 409).

The next three of the aforementioned studies constitute cumulative research on CSFs in construction projects by mostly the same set of scholars; at least one has participated in all three studies, and another one in the last two studies. It must be clarified that these three studies were about CSFs for construction projects in their entirety, but not necessarily for the stakeholder management discipline within the broader project management of construction projects.

In the first of the three studies, the outcome was a list of 20 CSFs for construction projects (Nguyen et al., 2004: 408). In the second of the three studies, the outcome was a list of 39 CSFs for construction projects (Toor & Ogunlana, 2009: 155). In the third of the three studies, the outcome was a list of nine key performance indicators (KPIs) for construction projects. Of significance to this study, derived from these last four studies, is their methodological approach.
The main similarities between the previously conducted eight studies and this study are related objectives and a similar methodological approach. In the previously conducted eight studies CSFs were identified through the literature review, and confirmed by construction industry professionals through interviews; the preliminary questionnaires were piloted with construction practitioners, and in other cases including construction academics and questionnaire surveys were conducted on construction projects practitioners. CSFs were ranked according to their order of importance, and grouped into lesser dimensions by using factor analysis.

The current study follows a similar methodological approach – with one main deviation and another contextual deviation.

A limited qualitative study was conducted on two cases of urban development projects after the literature review and just before the confirmation of CSFs by expert project management practitioners and academics. This limited qualitative study entailed interviews with internal and external stakeholders, on their practice, views, and experiences, in the Johannesburg BRT project and in the Gauteng Freeway Improvement project. Project sponsors, project managers, project-implementing agencies were interviewed as representatives of internal-stakeholder communities on both projects.

Officials from the two main mini-bus taxi associations that were in the forefront of stakeholder confrontations in the Johannesburg BRT project, officials from the independent bus operators association, and officials of commuter associations were interviewed in their offices. The officials of a business association, political formation, civic organisation, and labour organisation that were vocal, against certain aspects, in the implementation of the Gauteng Freeway Improvement project were also interviewed.

A questionnaire survey was administered on accessible projects practitioners who were members of the ACPM and the SACPCMP – and indirectly those who were members of the APMAS, the PMSA, and the PMI-SA. This implies that projects practitioners across all fields were surveyed; however, the demographic affiliations were captured for analytical purposes. There are limited urban development projects
to warrant a sufficient population and/or sample to test the framework. The assumption is that project management principles are similar across the spectrum, and project managers are more generalists than specialists (Meredith et al., 2003: 120).

Although important, the technical know-how is not a show-stopper in project management.

6.4 THEORETICAL MODEL DEVELOPMENT STAGES
The primary objective of this study is to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management critical success factors (CSFs) that have an influence on stakeholder management success in urban development projects. The investigation of stakeholder management CSFs that constitute the theoretical model tested by way of a questionnaire survey was developed in three stages.

The stakeholder management CSFs were first identified through the literature review; then they were contextualised and expanded through stakeholder interviews, a qualitative study, and refined, confirmed, and finalised through expert interviews by way of a qualitative study.

6.4.1 Literature review
Relevant and related literature was reviewed with the aim of unearthing a comprehensive list of factors critical and imperative for effective stakeholder management in urban development projects; these must also be comprehensive and adequate for effective stakeholder management in urban development projects; and that can be assembled into a framework for effective stakeholder management in urban development projects. From the literature reviewed, there are 10 macro-concepts or themes that have been repeatedly appearing and substantiated by various scholars, be they scholars in stakeholder management, or urban development, or project management theorists. These 10 concepts when phrased appropriately, explained adequately, and substantiated adequately, meet and satisfy
the CSF criteria. When viewed and linked as a collective, these 10 concepts also meet and satisfy the comprehensive framework criteria.

These 10 CSFs are as follows. The understanding of stakeholder socio-political, socio-economic, and socio-ecological environment. The recognition of all stakeholders as being legitimate and having rights associated with their wellbeing, dignity, and culture, which must be respected. The identification of all stakeholders – ensuring that all are listed and known. The profiling of stakeholders to understand all their relevant aspects and characteristics pertaining to the project. The classification of stakeholders by power, legitimacy, urgency, threat potential, and/or cooperation potential. The gathering and consideration of stakeholders’ interests or requirements in the project. The consultation and continuous up-to-date communication with all stakeholders. The management of stakeholder related project risks. The establishment of open and frank stakeholder relations based on mutual trust and respect. The formulation and execution of appropriate stakeholder management strategies for all stakeholder groups.

From the literature review it is substantiated that these are imperative factors whose absence or neglect, any one of them, in stakeholder management could expose stakeholder management, and consequently urban development projects, to potential failure – at least from the perspective of the external stakeholders.

6.4.2 Stakeholder interviews
After a preliminary list of 10 critical success factors (CSFs) for improving the management of stakeholders in urban development projects in South Africa were identified through the literature review, a limited qualitative study was conducted to contextualise and/or expand these 10 CSFs. This limited qualitative study entailed interviewing both the internal and external stakeholders in two of the most volatile and sensitive urban development projects in South Africa: the Johannesburg Bus Rapid Transit (BRT) project and the Gauteng Freeway Improvement Project (GFIP). The views of the internal and external stakeholders in the two urban development projects were gathered and analysed. The aim of this limited qualitative study was to determine the extent to which the 10 CSFs were relevant, and adhered to, the views...
of stakeholders on what transpired during stakeholder engagements, the nature of internal-external stakeholder relations, and to ascertain other salient aspects of stakeholder management in urban development projects in South Africa that may not have been explicitly evident or covered in the body of knowledge reviewed.

In the process, two additional CSFs for the framework of improving stakeholder management in urban development projects in South Africa were identified. The two CSFs are the early participation of stakeholders in project-consultative processes and the explanation of potential project impact on stakeholders: in simple terms, reduced to stakeholders’ sophistication levels. From the analysis of stakeholder interviews it is deduced that these two CSFs are imperative factors, whose absence or neglect, any one of them, in stakeholder management could expose stakeholder management, and consequently urban development projects, to potential failure – at least from the perspective of the external stakeholders.

As a result of these two CSFs, the preliminary framework for improving stakeholder management in urban development projects in South Africa was increased to 12 critical success factors (CSFs).

6.4.3 Expert interviews
After a preliminary list of 12 critical success factors (CSFs) for improving the management of stakeholders in urban development projects in South Africa were identified through the literature review and stakeholder-interviews analysis, a further limited qualitative study was conducted to refine, confirm, and finalise the CSFs list prior to the development of the questionnaire. This limited qualitative study entailed interviewing both the academic and practitioner experts in project management. The aim of this limited qualitative study was to determine the extent to which the 12 CSFs were critical, clear (their phrasing), and comprehensive.

All the experts were unanimous that the list of 12 CSFs was critical and comprehensive; that is, they found no fault in any of the 12. However, there were captions of some CSFs that they felt could be phrased differently; and these views were accepted and incorporated by rephrasing the captions of some CSFs. This
approach was adopted and adapted from Toor et al. (2009: 154), Yang et al. (2009a: 340), and Yang (2010: 81).

6.5 IMPROVED STAKEHOLDER MANAGEMENT IN URBAN DEVELOPMENT PROJECTS IN SOUTH AFRICA

The aim of this study was: “Improved stakeholder management in urban development projects in South Africa”. The CSFs researched in this study are only relevant in so far as they have some relationship (positive or negative) with the desired “improved stakeholder management in urban development projects in South Africa”. It is, therefore, important to discuss this “improved stakeholder management in urban development projects in South Africa” prior to discussing the researched CSFs of influence, and prior to formulating hypotheses of their (positive) relationships with the “improved stakeholder management in urban development projects in South Africa”.

An improved stakeholder management in urban development projects in South Africa is a state where: (1) stakeholder management is understood and adequately implemented by the project management profession in the execution of urban development projects in South Africa; (2) stakeholder related issues are eliminated, and/or drastically reduced, and/or ‘seen to be objectively and ethically addressed’ in the execution of urban development projects in South Africa; and (3) the stakeholder factor ceases to be the main factor (perceived or actual) in the (perceived or actual) failure of any urban development project in South Africa.

The CSFs being investigated are those factors that influence and/or facilitate these sub-states of “improved stakeholder management in urban development projects in South Africa”.

Contemporary professional commentary and scholarly literature point to a prevailing lack of stakeholder management understanding and to a lack of adequate implementation of stakeholder management by the project management profession. According to Worsley (2011: 22), stakeholder management is a project management discipline that is not well understood by the profession; and as a result, its
implementation is inadequate. Even the custodians of the profession, the project management associations, have neglected it for too long (Worsley, 2011: 22).

There is a consensus among numerous researchers that there is a general lack of knowledge for projects practitioners on how to manage stakeholders, particularly external stakeholders (Olander, 2003: 19). As a result, the sub-aim of the study is to investigate those CSFs that have a positive relationship with the understanding and adequate implementation of stakeholder management by the project management profession, particularly the urban project management profession in South Africa.

Judging by extensive negative media coverage, many of South African urban development projects exhibit poor stakeholder management; and they indicate problems that are mainly in the stakeholder domain. Many of these projects are riddled with stakeholder related problems and with some glaring discontentment by various stakeholders who are (negatively) affected by the implementation and/or the outcomes of these projects, to the detriment of the success of these projects. The most conspicuous examples being: the Johannesburg BRT project; the GFIP; the Taxi Recapitalisation programme; the Mbombela World Cup Stadium construction project; the Kusile and Medupi power stations construction projects; the Chapman’s Peak Drive tolling project; the Transnet multi-product pipeline project (Gosling, 2012; Ismail, 2007: 1; Lourens, 2011: 1; Makhafula et al., 2011: 1; Mashaba, 2010: 2; Mashaba & Xaba, 2010: 1; Mbonambi, 2010: 1; O’Sullivan, 2011: 1; Parker, 2011: 1; Rea Vaya, 2010a: 1; Rea Vaya, 2010b: 1; SANTACO, 2008: 1; SANTACO, 2009a: 1; SANTACO, 2009b: 1; SANTACO, 2009c: 1; SAPA, 2008: 1; SAPA, 2011: 1; Schnehage, 2010: 1; The Citizen, 2011: 1; Van der Merwe, 2011: 1; Yield & Mama, 2012: 1).

The most common factor in all these urban development projects is an outcry by various stakeholders on the lack of or poor consultation, their interests being disregarded, and the lack of objectivity and ethical responsibility by the urban development projects implementing agencies, and by inference urban development project teams. As a result, the sub-aim of the study is to investigate those CSFs that have a positive relationship with the elimination of stakeholder related issues and/or the drastic reduction of stakeholder related issues, and/or ‘objective and ethical
responsibility by stakeholders on the implementing agencies and project teams’ in the execution of urban development projects in South Africa.

Project success is a relative concept; and various project management scholars agree that it means different things to different people, and also that it is a function of input and/or the opinions of numerous individuals – including those outside the project team; as a result, project-stakeholder management is one of the most critical responsibilities of a project manager (Chan & Chan, 2004: 204; Karlsen et al., 2008: 7).

In the early days there was a school of thought that suggested that project success constitutes meeting the traditional constraints of a project, which are concluding a project within scheduled time, within budgeted cost, and delivering an outcome performance meeting the prescribed scope (Andersen et al., 2006: 128). However, it is now an accepted yardstick that, over and above the success in time, cost, and scope, a project is successful mainly from the perspective of those who are affected by its scope (Andersen et al., 2006: 128; Bourne & Walker, 2004: 227; Engwall, 2003: 802; Frodell et al., 2008: 23; Lam et al., 2007: 626; Nguyen et al., 2004: 405; Toor & Ogunlana, 2009: 150).

The South African urban development projects examples stated above may have satisfied the scheduled time, the budgeted cost, and the prescribed scope, but they can only be perceived as being holistically successful if all the affected stakeholders declare them to be so. As a result, the sub-aim of the study is to investigate those CSFs that have a positive relationship, with the cessation of the stakeholder factor being the main factor (perceived or actual) in the (perceived or actual) failure of any urban development project in South Africa. Alternatively, the sub-aim of the study is to investigate those CSFs that have a positive relationship with the stakeholder factor being the main factor (perceived or actual) in the (perceived or actual) success of any urban development project in South Africa.
6.6 HYPOTHESISED MODEL TO IMPROVE STAKEHOLDER MANAGEMENT IN URBAN DEVELOPMENT PROJECTS IN SOUTH AFRICA

The final 12 CSFs required for improving the management of stakeholders in urban development projects in South Africa were identified through the literature review, contextualised through stakeholder interviews analysis, and confirmed through expert interviews analysis. These 12 CSFs were then hypothesised as having a positive relationship with improved stakeholder management in urban development projects in South Africa; and they are as follows.

CSF-1 Stakeholder environment
CSF-2 Stakeholder recognition
CSF-3 Stakeholder identification
CSF-4 Stakeholder profiling
CSF-5 Stakeholder classification
CSF-6 Stakeholder interest
CSF-7 Stakeholder communication
CSF-8 Stakeholder participation
CSF-9 Stakeholder education
CSF-10 Stakeholder risk
CSF-11 Stakeholder relations
CSF-12 Stakeholder strategy

The hypotheses emanating from the literature review, the analysis of the stakeholder interviews, and the analysis of the experts’ interviews are presented in Table 6.2.
### Table 6.2 Twelve hypotheses for CSFs requisite for improved stakeholder management in urban development projects

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>There is a positive relationship between “understanding stakeholder socio-political, socio-economic, and socio-ecological environment” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₂</td>
<td>There is a positive relationship between the “recognition of all stakeholders as being legitimate and having rights with their wellbeing, dignity, and culture being respected” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₃</td>
<td>There is a positive relationship between “identifying all stakeholders ensuring that all are listed and known” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₄</td>
<td>There is a positive relationship between “profiling stakeholders to understand all their relevant aspects and characteristics pertaining to the project” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₅</td>
<td>There is a positive relationship between the “classification of stakeholders by power, legitimacy, urgency, threat potential, and/or cooperation potential” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₆</td>
<td>There is a positive relationship between the “interests or requirements of all stakeholders being gathered, known, and incorporated into project/product scope or mitigated” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₇</td>
<td>There is a positive relationship between “consultation and continuous up-to-date communication with all stakeholders” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₈</td>
<td>There is a positive relationship between “encouraging early participation of stakeholders in consultative processes” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₉</td>
<td>There is a positive relationship between “explaining and simplifying the project implications and potential impact to the stakeholders’ sophistication levels” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₁₀</td>
<td>There is a positive relationship between “identification, analysis, monitoring, control, and mitigation of stakeholder related risks” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₁₁</td>
<td>There is a positive relationship between “open and frank stakeholder relations established on mutual trust and respect” and improved stakeholder management in urban development projects.</td>
</tr>
<tr>
<td>H₁₂</td>
<td>There is a positive relationship between “formulating and executing appropriate stakeholder management strategies for all stakeholder groups” and improved stakeholder management in urban development projects.</td>
</tr>
</tbody>
</table>

Source: Researcher
The hypotheses emanating from the literature review, the stakeholder interviews analysis, and the expert interviews analysis are presented in Figure 6.1.

**Figure 6.1 The hypothesised model to improve stakeholder management in urban development projects**

![Diagram](source: Researcher)

### 6.6.1 STAKEHOLDER ENVIRONMENT

The appreciation of the stakeholder socio-political, socio-economic, and socio-ecological environment by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In appreciating the stakeholder environment, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
• In appreciating the stakeholder environment, projects practitioners are enabled to realize the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
• In appreciating the stakeholder environment, projects practitioners are enabled to realize the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.1.1 Literature review
Some of the literature, reviewed hereunder, makes use of the phrase project environment; and covering the entire project environment – not only the stakeholder aspect, however, in the context of this study, project environment – means including the stakeholder environment, because the study is focused only on the stakeholder aspect of a project. The first and most basic aspect of stakeholder management is that it is imperative, for the improvement of stakeholder management in urban development projects, for a project manager to understand the environment within which such projects are being executed – in order to understand the world of project stakeholders.

The environment or setting of urban development projects is affected – for better or worse – by the execution of such projects. The people, communities, and interest groups that form part of the environment or setting of urban development projects are also affected – for better or worse – by the execution of such projects. That is, it is imperative for urban development project managers to know what the characteristics are of the stakeholder environment in which the project is being implemented, and of which the project outcome is a part. There is extensive literature that points to this; and it is reviewed hereunder.

Projects, in particular urban development projects, are not implemented in a vacuum; and as a result, they are impacted by and/or they impact the socio-political, socio-economic, and socio-ecological dynamics that are endemic in society, and that far outlast the projects themselves (PMBOK, 2008: 5). The function of the project manager is not only to be capable of executing and facilitating the project management processes, but also to appreciate the dynamics that are at play in a
space where project management techniques, the project environment, and the project stakeholders (internal and external) coexist, and at times contend (Olander, 2003: 19).

In managing urban development projects, and by inference in managing project stakeholders, project managers should take into cognisance and understand, among others, macro-environmental factors, like the political climate, societal culture, marketplace conditions, stakeholder propensity to accepting or rejecting project goals – since these factors have the potential to influence the project outcome if neglected.

Nwanji and Howell (2005: 6) state that the significant intention of the stakeholder theory is to enable the management to appreciate the organisation’s stakeholders and their environments, and to manage these more effectively in the relationships that exist for their organisations. It is also the objective of stakeholder theory to enable managers to improve the impact of their actions, and reduce or eliminate the harm to stakeholders and consequently to their organisations.

This is also valid in the case of urban development projects; a major purpose of the required stakeholder management framework in urban development projects is, among other objectives, to help project managers and internal stakeholders to understand the entire project stakeholder environment, so as to manage urban development projects more effectively, and to contribute to the overall success of urban development projects. Yang et al. (2010: 1) state that stakeholder management is a difficult project management discipline – particularly because it is complex; and because it also has inherent uncertainty, and can be equivocal.

The challenge for project managers is that projects, besides being unique, are temporary – and as a result, a project manager may be new to or unfamiliar with the environment (internal and external); and to complicate matters even further, the project is constrained by the timeframe, which gives the project manager limited time to become familiar with the stakeholder environment.

Community outreach is an important method in urban development projects, in that it provides the project team with the opportunity to appreciate community needs and
issues; it provides the community with an opportunity to comprehend urban development issues; and it also provides consensus-building space (Jacobson & Choi, 2008: 651). According to Simmons and Lovegrove (2005: 496), project managers in identifying and managing contrasting stakeholder interests should acknowledge the stakeholders’ geopolitical and socio-economic factors that inform their interests. Urban development projects are not only technical processes, but they are also socio-political processes that require an appreciation of the socio-political issues and factors endemic in the areas of urban development projects’ implementation (Mutale, 2004: 4).

According to O’Hara (1999: 1328), usually the urban development programmes and efforts intended to improve the community’s economic and social conditions have a tendency not only to overlook the impact of socio-political, socio-economic, and socio-ecological factors, but also to overlook the communities themselves. That is, the urban development project process is guilty of taking urban residents, and their socio-political, socio-economic, and socio-ecological factors, for granted.

Olander (2003: 14) states that in executing projects, it is imperative for project managers to acquire information, understanding, and familiarity with the environment of the project. Yang et al. (2010: 1) state that project managers need to be accustomed to, and become familiar with the cultural, organisational, and social environments surrounding projects (citing Wideman, 1990). This view is supported by Zwikael (2008: 389) when stating that culture influences project management and project success. Culture may vary within an organisation, among organisations, among industries, or among nations; and as a result, project managers in different countries run projects of a similar nature, but in different ways (Zwikael, 2008: 389).

This challenge can also be experienced within the same country, with differences in different regions – due to varying cultures and other environmental factors that are localised.

Projects, urban development or otherwise, are implemented by organisations; and these organisations have rules that are regulatory and supportive. Thus, project managers should always act within the confines of these organisational factors.
Balancing stakeholders’ interests should not supersede the organisational rules. Projects are subject to organisational factors that are regulatory (policies, standards, processes, procedures, guidelines, et cetera), as well as those that are supportive (knowledge base, historical information, lessons learned, expert judgement, et cetera) (PMBOK, 2008: 32).

It is then accepted that an understanding of both the internal and external stakeholder environments by project managers is an important factor in the process of stakeholder management in urban development projects. This is more applicable to urban development projects because, by inference, urban development projects are implemented by (public) organisations; and they are implemented within and among communities. Project stakeholder management decisions made against the background of the prevailing stakeholder environment are usually more appropriate and effective, since they are informed decisions.

6.6.1.2 Stakeholder interviews

What has been found from stakeholder interviews is that this aspect, stakeholder-environment understanding, is not being fully embraced in urban development projects in South Africa. Firstly, there seems to be no recognition of the need to embrace this aspect of stakeholder management. Secondly, in cases where this aspect is performed by the urban development project agencies the motivation is mainly legalistic. This is because the only part of this aspect that is performed is to obtain the environmental impact assessment (EIA) clearance, which is a legal requirement; and then the project-implementing organisation proceeds with the project – without determining the project’s potential impact on the existing socio-political, socio-economic, and socio-ecological state of stakeholders within which the project is to be implemented.

The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to eliminate or at best to minimise the impact that the project might inflict on the socio-political, socio-economic, and socio-ecological well-being of stakeholders where which the project is being implemented. There is a need in urban development projects for this aspect of stakeholder management,
stakeholder-environment understanding, to be appreciated and embraced as a critical success factor in the overall success of the project.

### 6.6.1.3 Expert interviews

There has been unanimous agreement by all the project management experts consulted that this aspect of stakeholder management, stakeholder-environment understanding, is very critical in the management of stakeholders in urban development projects in South Africa. As a result, no change or amendment was done on this CSF.

### 6.6.1.4 Hypothesis formulation

Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

$$H_1: \text{There is a positive relationship between “understanding stakeholder socio-political, socio-economic, and socio-ecological environment” and improved stakeholder management in urban development projects.}$$

### 6.6.2 STAKEHOLDER RECOGNITION

The recognition of the stakeholders by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In recognising and legitimising the stakeholders, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In recognising and legitimising the stakeholders, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In recognising and legitimising the stakeholders, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.
6.6.2.1 Literature review
Having established that urban development projects touch the world of the stakeholders, because they are implemented within and among communities, it is incumbent on the project teams and implementing (public) organisations to acknowledge that these communities have rights. Freeman (1988: 41) stated that organisations have stakeholders, that is, groups and individuals that are disadvantaged or advantaged by the organisations’ operations. In some urban development projects in South Africa the stakeholders are aggrieved; they feel harmed and/or violated by the project work and/or project outcome, probably because such stakeholders are not recognised, acknowledged, and respected by project teams and implementing (public) organisations or internal stakeholders.

Unless project managers in the stakeholder management of urban development projects recognise and accept the reality of stakeholders’ existence and their right to exist, stakeholder related problems in urban development projects will not go away – this to the detriment of project success. Yang et al. (2010: 2) state that the first port of call in understanding and dealing with stakeholder issues is to recognise that all projects have diverse, and sometimes numerous stakeholders, whose interests must be incorporated, or at least considered, in the project scope and/or product scope.

The success of stakeholder management in urban development projects hinges on, among others, the recognition of all stakeholders – particularly the recognition of external stakeholders for their right to exist – by both internal stakeholders and the project teams. Donaldson and Preston (1995: 85) stated that it is critical for organisations – for their success and also because it is the right thing to do – to recognise all organisations’ stakeholders and their stakes.

The implementation of urban development projects should take into cognisance, not only the socio-political and socio-economic wellbeing of stakeholders and their environment, but also the socio-ecological wellbeing of the stakeholders. Freeman (1988: 44) stated that there is a trade-off when an organisation builds facilities within a community – the organisation benefits from conducting its business within the community, but at the expense of the community’s wellbeing.
community; and in turn the community benefits from the economic benefits (job opportunities) and social benefits (access to goods and/or services provided by the organisation). However, over and above this transaction, the organisation is expected to act responsibly in the course of conducting its business, by ensuring that it does not expose the community and the environment to unreasonable hazards (Freeman, 1988: 44).

The organisation would not always have all the information regarding the potential or undetected hazards; however, when it discovers some threats or potential harm to the communities and local environment, it is incumbent on it to make the community aware and to work with the community in alleviating or eliminating the hazard and its threat. Freeman (1988: 44) argued that the mismanagement of its (organisation's) relationship with the community is a violation of its social contract with the community; and it is tantamount to committing a crime, punishable by being distrusted and ostracised.

The organisation should not be surprised when punitive measures are invoked. Therefore, it is not in the best interests of the implementing (public) organisation or internal stakeholders to short-change stakeholder communities where urban development projects are being implemented.

All project stakeholders in urban development projects are important; and they should all be treated with respect by the project teams. Freeman (1988: 44), using the “King Solomon management style” analogy, stated that the contemporary stakeholder theory does not elevate one stakeholder's pre-eminence over that of another, but there are instances when one stakeholder would benefit at the expense of the other stakeholders. However, it is incumbent, always, on management to ensure that the relationships among stakeholders are always kept in balance – because, their imbalance puts the organisation and its functions at risk.

This is also applicable to urban development projects; and stakeholder communities not afforded the respect due to them, as being affected and aggrieved in urban development projects, will respond with vengeance, and to the detriment of urban development projects’ success. Freeman (1988: 47) also stated that the stakeholder
theory prescribes that the management of organisations, and their functions, should be conducted in the interests of all the stakeholders. What should be emphasised or added here is that urban development projects should be implemented in the interests of all its stakeholders – they are public projects (for the public) anyway.

For successful stakeholder management, at least, in urban development projects project managers should not only understand each stakeholder interest, situation, and position, but should treat each stakeholder with respect, as the basis for establishing a collaborative working relationship. The respect that the project manager has for the stakeholders has the potential of being reciprocated by the stakeholders; and the opposite is also true – if one encounters disrespect, one would then be disrespectful (Karlsen, Græe, & Massaoud, 2008: 13).

According to Olander (2003: 56), it is important that project managers ensure that all stakeholders are consulted and involved; also that their interests (concerns, needs, and values) are considered and addressed. Olander (2003: 56) further states that the health and safety of communities is of paramount importance to the organisation’s goals; and therefore, proper environment-assessment processes should be undertaken; and preventive measures for mitigating potential hazards should be put in place – prior to the establishment of the organisation’s facility within such communities.

In cases where it is not feasible to prevent some impacts to the satisfaction of all the stakeholders, compensations for those affected should be negotiated (Olander, 2003: 56). Lamberg, Pajunen, Parvinen and Savage (2008: 847) state that stakeholder research has repeatedly demonstrated that organisations – private, public, or social – cannot survive in the long run unless they provide fair treatment to all their stakeholders.

Recognising that project stakeholders have a right to exist, respecting project stakeholders for who they are, and acknowledging that project stakeholders are affected by project work and/or project outcome is an important factor in the process of stakeholder management in urban development projects. It is in the best interests of urban development projects for project managers to adopt such an attitude, as it is
– together with understanding stakeholder environments – the basis for effective stakeholder management in urban development projects.

### 6.6.2.2 Stakeholder interviews

What has been found from stakeholder interviews is that this aspect, stakeholder recognition, is not being fully embraced in urban development projects in South Africa. Firstly, there seems to be no recognition of the need to embrace this aspect of stakeholder management. Secondly, project teams seem content to comply with the legal requirements, but do not see a need to do anything beyond legal compliance. The thinking from both the internal and external stakeholders is that the approach and attitude of the project team is that the formal authorisation of the project overrides everything else. If external stakeholders’ circumstances are to be factored in or recognised that would hold up the implementation of the project.

The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to embrace an attitude of being ethically responsible for the wellbeing of stakeholders who did not choose to be impacted by the implementation or outcomes of these urban development projects. This aspect and stakeholder-environment understanding forms the basis – the required attitude – for fostering conducive relations among internal and external stakeholders for the success of urban development projects in South Africa.

There is a need in urban development projects for this aspect of stakeholder management, stakeholder recognition, to be appreciated and embraced as a critical success factor in the overall success of the project.

### 6.6.2.3 Expert interviews

There has been unanimous agreement by all the project management experts consulted that this aspect of stakeholder management, stakeholder recognition, is very critical in the management of stakeholders in urban development projects in South Africa. Some experts have suggested that the cultural aspect should be added to the caption of this CSF. As a result, the caption was amended from “recognition of
all stakeholders as being legitimate and having rights with their wellbeing and dignity being respected” to “recognition of all stakeholders as being legitimate and having rights – with their wellbeing, dignity, and culture being respected”.

Further literature reviewed indicates that the cultural aspect is important in the attitude of stakeholder recognition in the implementation of urban development projects. Yang et al. (2010: 1), citing (Wideman, 1990), state that project managers need to be attuned to the cultural, organisational, and social environments surrounding their projects. This view is supported by Zwikael (2008: 389), when stating that culture influences project management and project success.

### 6.6.2.4 Hypothesis formulation

Based on substantiation in the aforementioned scholarly literature overview, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

\[ H_2: \text{There is a positive relationship between the “recognition of all stakeholders as being legitimate and having rights with [regard to] their wellbeing, dignity, and culture being respected” and improved stakeholder management in urban development projects.} \]

### 6.6.3 STAKEHOLDER IDENTIFICATION

The identification of the stakeholders by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In identifying the stakeholders, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In identifying the stakeholders, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
In identifying the stakeholders, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.3.1 Literature review

For an urban development project manager with the stakeholder management attitude of recognising stakeholders for their right to exist, and being in an ongoing process of understanding the stakeholder environment, the identification of all project stakeholders is the next stakeholder management aspect of paramount importance. Nwanji and Howell (2005: 4) state that stakeholder identification can be achieved by asking the question: Who are the individuals and entities who could affect and/or could be affected by the achievement of the organisation’s goals?

According to Bunn et al. (2002: 182), identification of the relevant stakeholders by an organisation requires a working knowledge of the environment and the individuals, communities, and organisations that have a “stake” (directly or indirectly) in its business. That is, understanding the stakeholder environment is a precursor to the (adequate) identification of the stakeholders. However, the identification of stakeholders and an understanding of the stakeholder environment are not necessarily stages of a linear process; they are iterative and ongoing throughout the life of a project.

Bunn et al. (2002: 182) state that as the organisation (or urban development project team) learns more about the environment and about the relevant stakeholders, other stakeholders would be added to the list, and the process would then iterate again through the subsequent steps in the stakeholder management process.

Stakeholder management effort is as good, or as bad, as the effort employed in identifying the genuine stakeholders. According to Bourne and Walker (2005: 651), stakeholders need to be identified first – before they can be better understood. Stakeholder management in urban development projects cannot be effective if the stakeholder identification is flawed, simply because project managers do not know
who is affected by the project, who to deal with, or where the stakeholder related project risks lie, et cetera.

Stakeholder identification is the most prevalent stakeholder management factor stated in the literature – as demonstrated in the review of stakeholder management models in section 4.5. Yang et al. (2010: 4) also in analysing stakeholder-management models by seven scholars who have conducted contemporary studies on stakeholder management, highlighted “identification of stakeholders” as a common factor in all seven models analysed. Although Jepsen and Eskerod (2009: 336) state that only important stakeholders should be identified, in the context of this study, every stakeholder is important; and therefore, must be identified.

Actually, even in cases where the classification of stakeholders by importance or lack thereof is permissible, they would have to be identified first, and then profiled as being important or not. Consequently, all the project stakeholders must be identified. The identification of the stakeholder factor is a precursor to any stakeholder management plan or activity, and is of paramount importance. If project managers in urban development projects get this aspect of stakeholder management wrong, then subsequent activities, no matter how well planned and executed, may not provide effective stakeholder management – simply because some stakeholders may have been left out.

Because of its fundamental aspect and importance, stakeholder identification is the second process, after the project charter (a process or document, which authorises a project), in the list of 42 project management processes stated in the PMBOK (2008: 42). It is in the best interests of urban development projects for project managers to take time and do a thorough exploration of the project/stakeholder environment, in order to identify all project stakeholders, and in order to ensure that all stakeholder-management plans and activities are directed at all those who are affected or affect the urban development project.

Therefore, this is an important factor in stakeholder management in urban development projects. Stakeholder identification literature has also been substantially reviewed in 4.5.1 “stakeholder view of firm models”.
Karlsen (2002: 23) states that the process of identifying stakeholders is about identifying all the stakeholders, internal and external, through the application of well-established stakeholder-identification techniques like expert interviews, sounding-board sessions, nominal group-technique forums, checklists, et cetera.

6.6.3.2 Stakeholder interviews
What has been found from stakeholder interviews is that this aspect, stakeholder identification, is not being fully embraced in urban development projects in South Africa. This aspect needs to be addressed primarily because efforts towards this goal are half-hearted; and also because the view and attitude is that some stakeholders are not important: actually, the attitude is that they are not stakeholders. In some instances in urban development projects in South Africa, stakeholders are identified only from the perspective of legal prescripts. Anyone who is outside the boundaries of legal compliance is disregarded, and is not identified as a serious stakeholder.

The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to be aware of all the individuals, groups, and communities who affect or are affected by the project implementation and/or outcome, so as to manage such stakeholders appropriately for the success of urban development projects in South Africa. It is easier to manage what is known and what has been planned for. Disregarding urban development project stakeholders is counterproductive: primarily because such stakeholders have the power to derail the project’s implementation and/or outcomes, and also because even in the absence of stakeholder power or threats to the project, project teams have ethical responsibilities towards urban development project stakeholders.

There is a need in urban development projects for this aspect of stakeholder management (stakeholder identification) to be appreciated and embraced as a critical success factor in the overall project success.
6.6.3.3 Expert interviews
There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder identification, is very critical in the management of stakeholders in urban development projects in South Africa. All experts agreed with the caption of this CSF.

6.6.3.4 Hypothesis formulation
Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H₃: There is a positive relationship between “identifying all stakeholders, ensuring that all are listed and known and improved stakeholder management in urban development projects”.

6.6.4 STAKEHOLDER PROFILING
The profiling of the stakeholders by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In profiling the stakeholders, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In profiling the stakeholders, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In profiling the stakeholders, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.4.1 Literature review
Profiling stakeholders is a secondary or subsidiary issue to the factor of identifying the stakeholders. In some literature the stakeholder-profile factor is implied in the
stakeholder-identification factor. In this study, because the aim is to develop a comprehensive and a coherent stakeholder management framework, the question of stakeholder profile is not left to interpretation; but it is explicitly treated as a separate factor. This is logical; however it is also substantiated through the literature reviewed hereunder. Having identified all the project stakeholders; then the next logical step would be to gain an understanding of all these identified stakeholders by project managers in urban development projects.

As a result some literature makes reference to stakeholder profiling in the same breath as stakeholder identification. Yang et al. (2010: 2), citing Kolk and Pinkse (2006), state that one of the core themes of recent research is to identify the “nature” of the stakeholders. To be able to manage, to deal, and to work with stakeholders effectively for the overall success of urban development projects, it is vital for urban development project managers to understand the characteristics of all the stakeholders – who they are, how are they affected, or how they affect, what power they wield, et cetera.

Yang et al. (2010: 4), in the analysis of stakeholder management models by seven scholars who have conducted contemporary studies on stakeholder management, identified “gathering information about the stakeholders” as a common factor in two of the seven models analysed. It may be assumed that perhaps the other five did not mention this important factor because they regarded it as part of the stakeholder-identification process.

This study views the “gathering information on stakeholders” factor as an explicit and a separate CSF, because if left out it may be neglected by project managers. Also “gathering information on the stakeholders” could imply two aspects of stakeholder management: the first being finding out the characteristics of stakeholders, which is stakeholder profiling, and the second being collecting the requirements (interests and needs) of the stakeholders, which is an aspect of stakeholder interest – CSF-6.

The analysis of the stakeholders, which is an aspect of stakeholder profiling, and the analysis of the stakeholder requirements, which is an aspect of stakeholder interest (CSF-6) could be confused – unless explicitly stated. For example, in the models
analysed by Yang et al. (2010: 4), some of the captions depicting stakeholder management CSFs are “analysing the characteristics of stakeholders”; “identifying the stakes of stakeholders”; “analysing the influence of stakeholders”; “prioritising stakeholders”; “determining stakeholder strengths and weaknesses”; “characterisation of the stakeholders, pointing out their: (a) necessary contributions; (b) expectations concerning rewards for contributions; (c) power in relation to the project”.

According to Bunn et al. (2002: 182), stakeholder profiling involves, among others, the width of the footprint of each stakeholder, their local or regional stakeholders, and their national or international stakeholders.

As already alluded to, in some of the literature, stakeholder profiling is intertwined with stakeholder identification (CSF-3). According to Bourne and Walker (2005: 651), to better understand each stakeholder with regard to their impact on the project, they should first be identified, and then their power and/or influence should be determined. According to Karlsen (2002: 19), stakeholders wield different types and levels of power; and Olander (2003: 34) states that it is important to have clarity on each stakeholder’s specific interest in the project, and then to ascertain the extent of each stakeholder’s influence on the projects.

Olander (2003: 37) goes on to emphasise advocacy for adequate stakeholder profiling, by stating that the entire community, as a stakeholder, is rarely homogeneous, and thus should not be managed as such; instead it should be demarcated into subgroups with common characteristics, according to how they affect or are affected by the project. Freeman and McVea (2001: 4) bring another significant angle to the issue of stakeholder profiling by stating that the systems’ approach prescribes that problems can only be solved with the involvement and support of all the nodes in the network. It is therefore, important – not only to identify the stakeholders – but it is equally critical to ascertain the links and connections between them, and to exploit these connections in managing them.

According to Cennamo et al. (2007: 2), citing Freeman (1984), the definition of all stakeholders affecting (or who are affected by the organisation) is a practical issue
that requires careful execution. Klakegg, Williams and Magnussen (2009: 37) state that different stakeholders have different needs, and their profiling cannot be one-size-fits-all.

There are several tools at the disposal of project managers that are used for profiling project stakeholders – as reviewed in 4.5 – for example, “power versus stake grid” (Yang et al., 2010: 4); “power versus interest grid”, “power versus influence grid”, “influence versus impact grid”, “salience model” (PMBOK, 2008: 249). All these were substantially discussed in 4.5.2: “stakeholder classification and strategies models”, and in 4.5.3: “stakeholder management and strategy-formulation process models”.

Stakeholder profiling is an important factor in the management of stakeholders in urban development projects, since it is a way of helping project managers to understand individual stakeholders and/or stakeholder groups within the bigger stakeholder environment. Stakeholder profiling entails both the gathering of information about stakeholders and analysing this information on stakeholders, so as to have a better understanding of the nature and/or character of stakeholders. This forms the basis of all stakeholder management planning and activities by project managers in urban development projects.

Categorising the stakeholders and having information about stakeholders is an added contribution to an ongoing process of understanding the stakeholder environment for effective management of stakeholders by project managers in urban development projects. Stakeholder profiling literature has also been substantially reviewed in 4.5.2: “stakeholder classification and strategies models” and in 4.5.3: “stakeholder management and strategy-formulation process models”.

6.6.4.2 Stakeholder interviews

What has been found from stakeholder interviews is that this aspect, stakeholder profiling, is not being fully embraced in urban development projects in South Africa. There is a logical inference to this, how can internal stakeholders and/or project teams profile what they have not identified. The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to understand
the characteristics of all identified stakeholders, so that they can classify and manage them and their interests appropriately. There is a need in urban development projects for this aspect of stakeholder management (stakeholder profiling) to be appreciated and embraced as a critical success factor in the overall success of the project.

6.6.4.3 Expert interviews
There is unanimous agreement by all the project management experts consulted that this aspect of stakeholder management, stakeholder profiling, is very critical in the management of stakeholders in urban development projects in South Africa. Some experts have suggested that the CSF be rephrased from “stakeholder profile” to “stakeholder profiling”, to be in line with the phrasing of other CSFs. As a result, the CSF phrasing was amended from “stakeholder profile” to “stakeholder profiling”.

6.6.4.4 Hypothesis formulation
Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H₄: There is a positive relationship between “profiling stakeholders to understand all their relevant aspects and characteristics pertaining to the project” and improved stakeholder management in urban development projects.

6.6.5 STAKEHOLDER CLASSIFICATION
The classification of the stakeholders by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In classifying the stakeholders, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In classifying the stakeholders projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
• In classifying the stakeholders projects practitioners are enabled to realise the right of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.5.1 Literature review
In most stakeholder management models, stakeholder classification succeeds stakeholder identification, but precedes stakeholder strategy in a tri-stage stakeholder management process – in some cases with stakeholder analysis as a discrete stage coming between stakeholder identification and stakeholder classification (Chung, Chen & Reid, 2009: 61; Postema, Groen & Krabbendam, 2011: 13; Simmons & Lovegrove, 2005: 496; Stretton, 2010: 8). However, a critical scrutiny of the theory of stakeholder classification tends to point to its descriptive and instrumental character being predominant over its normative character; that is, it seem to be more about understanding stakeholder attributes and classifying stakeholders in terms of the corporate’s or project’s interests – rather than being ethically responsible towards the stakeholders.

Mitchell et al. (2011: 235) argue that stakeholder classification goes beyond the question of stakeholder identification, as it is very vital for managers in determining stakeholder salience for effective stakeholder management.

Postema et al. (2011: 6) state that stakeholder classification is about placing each stakeholder in an appropriate salience cluster, based on each stakeholder’s capacity and intention. Various stakeholder management commentators agree with Freeman (1984) that stakeholder classification can be determined by their propensity to be a threat or to cooperate with the organisation or project (Lim et al., 2005: 832; Polonsky & Scott, 2005, 1200; Rawlins, 2006: 5; Savage et al., 1991: 65; Scholem & Stewart, 2002: 2482).

Additionally, there are many stakeholder management writers who agree with Mitchell et al. (1997: 853) that stakeholder classification can be determined by their power, legitimacy, and/or urgency on the project scope and/or product scope (Bunn et al., 2002: 194; Freeman & McVea, 2001: 20; Lim et al., 2005: 832; Pajunen &
Näsi, 2004: 523; Rawlins, 2006: 5; Scholem & Stewart, 2002: 2483; Yang, 2010a: 23). These are just two different approaches towards stakeholder classification; however, the stakeholder classification concept is widely embraced as a critical factor in the management of stakeholders.

Bunn et al. (2002: 194) argue that the categorisation of stakeholders with respect to the attributes (power, legitimacy, and urgency) they possess is not static. In reality, stakeholder attributes are relative and dynamic. Several stakeholders could possess similar attributes; however, the degree or extent of possession could vary from one to another. A stakeholder can possess a particular set of attributes during one stage of the project, but the set may change at later stages of the project. Therefore, the classification of stakeholders could change from time to time; as a result, the classification of stakeholders remains an ongoing exercise (Bunn et al., 2002: 199).

6.6.5.2 Stakeholder interviews

What has been found from stakeholder interviews is that this aspect, stakeholder classification, is not being fully embraced in urban development projects in South Africa. The logical inference referred to in the case of stakeholder profiling also applies in this aspect: how internal stakeholders and/or project teams can classify what they have not identified and profiled. The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to classify all identified and profiled stakeholders, so as to be able to manage them and their interests appropriately.

There is a need in urban development projects for this aspect of stakeholder management (stakeholder classification) to be appreciated and embraced as a critical success factor in the overall success of the project.

6.6.5.3 Expert interviews

There is unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder classification, is very critical in the
management of stakeholders in urban development projects in South Africa. All experts agreed with the caption of this CSF.

6.6.5.4 Hypothesis formulation

Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H₅: There is a positive relationship between the “classification of stakeholders by power, legitimacy, urgency, threat potential, and/or cooperation potential” and improved stakeholder management in urban development projects.

6.6.6 STAKEHOLDER INTEREST

Addressing the stakeholders’ interests (collecting their requirements and mitigating them or incorporating them into the project/product scope) by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In addressing the stakeholders’ interests, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In addressing the stakeholders’ interests, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In addressing the stakeholders’ interests, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.6.1 Literature review

The stakeholder management effort in urban development projects does not end with understanding stakeholders’ environment, having an attitude conducive to collaboration with the project stakeholders, knowing who the project stakeholders
are, understanding the characteristics of the project stakeholders, and classifying the project stakeholders for ease of management. Certain critical processes and activities have to be put in place, in order to operationalise the stakeholder management effort. Stakeholder interest in stakeholder management in urban development is the main factor to all stakeholders – because it is about converging all the divergent views of all the stakeholders into the unified single purpose of an urban development project. The project managers, and by implication implementing (public) organisation or internal stakeholders, in urban development projects have an obligation towards other stakeholders and their interests.

Donaldson and Preston (1995: 85) state that it is the “responsibility of managers, and the management function, to select activities and direct resources to obtain benefits for [the] legitimate stakeholders”. This study assumes that all the stakeholders are legitimate in urban development projects; and therefore, the interests of all project stakeholders should be taken into cognisance by either incorporating these interests into the scope (project and/or product), seeking a buy-in by motivating future benefits, or by way of compensation for inconvenience or loss due to project work and/or project outcome.

According to Bunn et al. (2002: 182), stakeholder interests are about understanding the nature of stakeholders and the reasons they should be further considered in the stakeholder management process; and this involves clarifying the reasons for their interest in the organisation’s business (benefits or liabilities to stakeholder group).

Yang et al. (2010: 2) state that two of the five factors within the stakeholder management process that could bring about different project outcomes that were identified by Olander and Landin (2008), are the analysis of stakeholder concerns, needs, and evaluations of alternative solutions. Nwanji and Howell (2005: 9) state that organisations cannot afford to disregard stakeholder interests if they are to exploit their shareholder assets, because the contribution to the success of the organisation is dependent on all the stakeholders. This is the instrumentalist view of stakeholder theory alluded to by other stakeholder theorists, as reviewed in 4.4.2.
Identifying and profiling project stakeholders is crucial; however, it is not adequate unless complemented by collecting stakeholders’ requirements, expectations, and interests in the project from stakeholders themselves, as a basis for planning, managing, and handling project-stakeholder relations.

Community outreach is an important method in urban development projects in that it provides the project team with the opportunity to appreciate community needs and issues; it provides the community with an opportunity to comprehend urban development issues; and it also provides consensus-building space (Jacobson & Choi, 2008: 651). According to Karlsen et al. (2008: 8), prioritising and dealing with conflicts, due to differing and contending stakeholders’ interests, is inherent in a project. Consequently, it is not ethically correct to ignore some stakeholders, or to be inflexible in controlling the project.

Olander (2003: 14) states that in executing projects, it is imperative for project managers to obtain information, understanding, and familiarity of the environment, and also to consult the community in the planning process of the urban development project. The purpose of stakeholder management in urban development projects, ultimately, is to balance all stakeholders’ interests in the project’s bottom-line; and the project’s bottom-line is the project scope – what the project is about and what it proposes to deliver.

According to Johansson (2008: 36), citing Susniene and Vanagas, stakeholders can be satisfied through three different ways: (1) by their interests being accommodated in the project scope and/or product scope; (2) by their interests being aligned with those of the project scope and/or product scope; and (3) by their interests being balanced with those of the project scope and/or product scope. As normative stakeholder theory was argued in 4.4.3 – paraphrasing – stakeholder interest is central and paramount to the project scope; the two should not and cannot be treated separately.

Treating stakeholder interests outside the scope (of the project and/or product) is tantamount to reducing stakeholder management to the superfluous CSR, and that is a fallacy, according to Edward Freeman (Agle et al., 2008: 163). According to
Reynolds et al. (2006: 286), one of the most important principles of stakeholder management is the balancing of the stakeholders’ interests – it entails being attentive to all the stakeholders and their disparate, and usually contending, requirements. Balancing stakeholders’ interests entails, among other things, incorporating all stakeholders’ interests into the scope (project and/or product) and reaching a win-win compromise with stakeholders whose interests could not be feasibly, viably, or practically incorporated into the scope (project and/or product).

In a nutshell, project work should not commence until all the stakeholders have accepted the scope (project and/or product). According to Freeman and McVea (2001: 9), the interests of all the stakeholders must be incorporated into the main objectives of the project because, according to Karlsen (2002: 19), citing Jergeas et al., it is the stakeholder who ultimately determines whether a project is successful or not. Karlsen (2002: 19) goes on to state that failure to practise stakeholder management in a project exposes the project to potential failure, because the success or the failure of a project cannot be determined without the establishment of stakeholders’ interests and without the participation of all the stakeholders.

According to Heath and Norman (2004: 248), in cases where stakeholders’ interests are in conflict, an attempt should be made to moderate all, or some of, the stakeholders’ interests, in order to accomplish a fundamental responsibility to all the stakeholders.

Stakeholder interest in urban development projects is the bottom line. However important supplementary factors are in the stakeholder management effort, stakeholder interests are central. Stakeholder interest is the due diligence aspect of the entire urban development project. It is absolutely imperative that before any technical work in urban development projects commences, project managers should have satisfied themselves that all the stakeholders’ requirements have been collected, analysed, and actioned.

There are three possible avenues, that repeatedly emerge from the literature; and they are: incorporate all stakeholder interests/requirements into the project scope and/or product scope; compensate stakeholders in cases where it is not feasible
and/or viable to incorporate their interests/requirements into the scope (and stakeholders must agree to this); and seek a buy-in from stakeholders by demonstrating the long-term benefits, if there are any, that would result from the implementation of the urban development project in question.

Johansson (2008: 36) refers to these three aspects as being the accommodation of stakeholder interests, the alignment of stakeholder interests, and/or the balancing of stakeholder interests. The aspect of stakeholder interests has to be fully addressed before the commencement of any technical work in urban development projects if stakeholder management is to be successful.

### 6.6.6.2 Stakeholder interviews
What has been found from stakeholder interviews is that this aspect, stakeholder interest, is not being fully embraced in urban development projects in South Africa. The logical inference referred to in the previous cases of stakeholder profiling and classification also applies in this aspect: how internal stakeholders and/or project teams can incorporate and/or mitigate the interests and requirements of what they do not recognise, have not identified, profiled, and/or classified.

The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to appreciate the interests and requirements of all the identified stakeholders, so as to be able to incorporate these interests and requirements into the scope, or to mitigate a feasible and mutually agreed on consensus, and to manage the stakeholders and their interests appropriately. There is a need in urban development projects for this aspect of stakeholder management (stakeholder interest) to be appreciated and embraced as a critical success factor in the overall success of the project.

### 6.6.6.3 Expert interviews
There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder interest, is very critical in the management of stakeholders in urban development projects in South Africa.
Some experts stated that the phrase “compensated for” has connotations that could create false expectations and exacerbate the volatility of stakeholder relations. The phrase “mitigated” was then suggested. As a result, the caption has been changed from “interests or requirements of all stakeholders being gathered, known, and incorporated into project/product scope or compensated for”, to “interests or requirements of all stakeholders being gathered, known, and incorporated into the project/product scope – or mitigated”.

6.6.6.4 Hypothesis formulation
Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H6: There is a positive relationship between the “interests or requirements of all stakeholders being gathered, known, and incorporated into the project/product scope or mitigated” and improved stakeholder management in urban development projects.

6.6.7 STAKEHOLDER COMMUNICATION
Communicating (informing, consulting, and engaging) with the stakeholders by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In communicating with the stakeholders, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In communicating with the stakeholders, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In communicating with the stakeholders, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.
6.6.7.1 Literature review

Stakeholder communication, together with stakeholder relations, CSF-11, comprise the adhesive that keeps stakeholder management in urban development projects together. Communication is the only tool at the disposal of project managers for interfacing with the project stakeholders, and it should be treated with seriousness and prudence. Consultation processes are important in the management of stakeholders in urban development projects, and these are part of communication. Yang et al. (2010: 3), citing Bakens et al. (2005) and Young (2006), state that effective communication is of paramount importance to effective stakeholder management.

According to Yang et al. (2010: 3), other studies, such as those of Bakens et al. (2005), Jergeas et al. (2000), Karlsen (2008), Olander and Landin (2008), and Young (2006), confirm that “communication” is a significant CSF; and they also show that the relationship between the project team and stakeholders is also significant. One of the nine factors for building trust between a project team and stakeholders [identified by Karlsen et al. (2008: 17)] is good communication.

In the analysis of stakeholder management models by seven scholars – who have conducted contemporary studies on stakeholder management, as reported by Yang et al. (2010: 4) – a CSF with an aspect of “communication” appears in only two of the seven models, and is captured as “communicating and sharing information with stakeholders” and “monitoring effectiveness of communication”. This is also evident in the review of project management models in 4.5.

Unless communication is incorporated as an explicit factor into a stakeholder management framework or model, then such a model is incomprehensible and probably incoherent, and as a result flawed. Yang et al. (2010: 2) state that two of the five factors within the stakeholder management process that could bring about different project outcomes – that were identified by Olander and Landin (2008) – are communication of benefits and the negative impact of media reports.
Appropriate and adequate planning of a communication approach in an urban development project is very important – that is: who needs what information, when they will need it, how it will be given to them, and by whom. Improper communication or the lack thereof could lead to delays in message delivery, sensitive information landing on an inappropriate audience, or failure to communicate with some stakeholders.

Karlsen (2002: 19) states that previous studies show that the practice of stakeholder management in projects is spontaneous, casual, and haphazard – it is not a planned effort; and it is usually executed in an uncoordinated manner. Therefore, even communication, for it to be effective and appropriate, should be planned by the project team and/or project manager. According to Olander (2003: 60), in order to communicate effectively with all stakeholders, stakeholder communication should be adequately planned, and this could be achieved by categorising stakeholders – using the power/interest matrix, in order to get a better picture on the positioning of each stakeholder in the project.

One of the steps of the stakeholder management model by Karlsen (2002: 19) is communicating and sharing information with stakeholders. Project status, progress, and forecasts need to be communicated to the relevant stakeholders at appropriate times – stakeholders should not be taken by surprise. According to Karlsen (2002: 20), poor or inadequate communication is, by far, the main cause of stakeholder related project failures.

According to Olander (2003: 4), over and above the appropriateness of communication, communication is not only about distributing information to stakeholders; it is a two-way process – the project manager also needs to get feedback as to how the information was processed, and views and responses to the information distributed. Karlsen et al., (2008: 14) state that to build a trusting project environment, project managers ought to communicate effectively with all stakeholders and ensure that stakeholders are provided with all the important information that is relevant to them and to their stake in the project.
All other factors in stakeholder management in urban development projects could be in place; but they can only be improved through better through adequate and appropriate communication. Stakeholders cannot know about the good intentions of the implementing organisation, and project team by implication, unless these are communicated to them. Stakeholder communication is an important factor in urban development projects because of its enablement role – it facilitates the other factors. Probably, these are the reasons that all stakeholder management processes fall under the project communications management knowledge area in the PMBOK (2008: 243).

6.6.7.2 Stakeholder interviews

What has been found from stakeholder interviews is that this aspect, stakeholder communication, is not being fully embraced in urban development projects in South Africa. The logical inference referred to in the previous cases also applies in this aspect: how internal stakeholders and/or project teams can communicate with stakeholders that they have not identified, profiled, and classified. The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to continuously disseminate appropriate project information to each stakeholder grouping to keep the stakeholders informed and to get stakeholder views, so as to be able to maintain cordial relations with stakeholders and to manage the stakeholders and their interests appropriately.

There is a need in urban development projects for this aspect of stakeholder management (stakeholder communication) to be appreciated and embraced as a critical success factor in the overall project success. There are two other aspects that emanated from the analysis of stakeholder interviews within the stakeholder communication aspect. These two aspects, even though they are part of the stakeholder communication aspect, require to be stated explicitly as stand-alone CSFs. All the project management experts consulted are in agreement that these two CSFs are of adequate criticality to warrant an explicit and stand-alone status.

These two aspects are: the early participation of stakeholders in project consultative processes, and the explanation of potential project impact on stakeholders – in
simple terms – reduced to stakeholders’ sophistication levels. These two CSFs, emanating from stakeholder interviews on the stakeholder-communications aspect, have since been incorporated into the framework as CSF-8 and CSF-9, respectively.

6.6.7.3 Expert interviews

There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder communication, is very critical in the management of stakeholders in urban development projects in South Africa. All experts agreed with the caption of this CSF.

6.6.7.4 Hypothesis formulation

Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H7: There is a positive relationship between “consultation and continuous up-to-date communication with all the stakeholders” and improved stakeholder management in urban development projects.

6.6.8 STAKEHOLDER PARTICIPATION

Encouraging and ensuring (early and continuous) project participation of the stakeholders by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In encouraging and ensuring (early and continuous) project participation of the stakeholders, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In encouraging and ensuring (early and continuous) project participation of the stakeholders, projects practitioners are enabled to realise the importance of all stakeholders in the survival and success of the urban development project – instrumental view.
• In encouraging and ensuring (early and continuous) project participation of the stakeholders, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.8.1 Literature review
The literature related to this aspect of stakeholder management is implied in the literature reviewed in section 6.6.7: stakeholder communication. This CSF, stakeholder participation, explicitly emanates from stakeholder-interview analysis of the stakeholder communication aspect of stakeholder management in urban development projects in South Africa.

6.6.8.2 Stakeholder interviews
What is evident from the two urban development projects is that the participation, particularly early participation, in consultative processes by affected stakeholders was not adequately addressed. In one project, the project team simply disregarded the significance of all stakeholders’ participation in consultative processes by choosing to go the legal-compliance route. That is, representations were only made to government structures, as the legal compliance prescripts dictate. Whereas in the other project stakeholders, participation was effected only as a formality; and as a result there was poor participation in consultative processes by the stakeholders.

Stakeholders, who were either unaware, or only vaguely aware, of the two proposed urban development projects, became aware of these projects only when the project work commenced and when the project outcomes were finalised. Over and above poor communication, the effort of encouraging the early participation of all the stakeholders in these urban development projects was either absent, or not done diligently. In some instances when public consultative meetings were called or announced, irrespective of the very poor turn-out in such meetings, the project team would conclude that it has adequately consulted and that there has been early participation of stakeholders in the urban development project.
The evident stakeholder dissatisfaction and protests by various stakeholders in these urban development projects can, among others, be attributed to poor stakeholder early participation. The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to ensure that there has been adequate consultation with those affected early enough in the project – to adjust the project scope and/or mitigate stakeholder requirements – in order to eliminate or minimise any potential disruptions by stakeholder protests late in the project, when it is no longer easy to incorporate their requirements into the project scope.

There is a need in urban development projects for this aspect of stakeholder management (stakeholder participation) to be appreciated and embraced as a critical success factor in the success of the overall project.

6.6.8.3 Expert interviews
There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder participation, is very crucial in the management of stakeholders in urban development projects in South Africa. All experts agreed with the caption of this CSF.

6.6.8.4 Hypothesis formulation
Based on substantiation in the aforementioned stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

\[ H_8: \text{There is a positive relationship between “encouraging early participation in consultative processes of stakeholders” and improved stakeholder management in urban development projects.} \]

6.6.9 STAKEHOLDER EDUCATION
Educating the stakeholders (explaining and simplifying the project implications and potential impact to the stakeholders’ sophistication levels) by the projects
practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In educating the stakeholders, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In educating the stakeholders, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In educating the stakeholders, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.9.1 Literature review

The literature related to this aspect of stakeholder management is implied in the literature reviewed in section 6.6.7: stakeholder communication. This CSF, stakeholder education, explicitly emanates from stakeholder-interview analysis of the stakeholder communication aspect of stakeholder management in urban development projects in South Africa. However, Bunn et al. (2002: 201) state that in order to improve communication with its stakeholders, the organisation (or urban development agency or project manager) should engage in a wide range of activities to influence the stakeholders under the umbrella of “education”. This includes presentations in NGOs’ programmes, appearance on panels on media programmes and shows, dissemination of “white papers” on technical issues, et cetera (Bunn et al., 2002: 201).

6.6.9.2 Stakeholder interviews

Another salient aspect of stakeholder management in urban development projects in South Africa that surfaced through the limited qualitative study was the factor of understanding, or the lack of, of the implications of the proposed urban development projects and their outcomes. Stakeholders, who were either unaware, or only vaguely aware of the outcomes of the two urban development projects, began to comprehend, or to be aware of the socio-economic and socio-environmental impacts
during the execution of the project work or at the completion of the project work. That is, the potential impact of the urban development project work and/or outcome on individuals, groups, and/or communities were not stated early in the project. This is usually left for stakeholders to find out for themselves during the implementation and/or outcome of these urban development projects.

The evident stakeholder dissatisfaction and protests by various stakeholders in these urban development projects can, among others, be attributed to the lack of stakeholder appreciation of the potential impact – on their social, economic, or ecological wellbeing – as a result of the project work and/or project outcome of these urban development projects. The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to ensure that there has been adequate communication of the project’s implications and adequate understanding of such implications by stakeholders early enough in the project – to align the project-impact implications with the stakeholder requirements – in order to eliminate or minimise any potential disruptions by stakeholder protests late in the project, when it is no longer easy to align the project-impact implications with their requirements.

There is a need in urban development projects for this aspect of stakeholder management (stakeholder education) to be appreciated and embraced as a critical success factor in the success of the overall project.

6.6.9.3 Expert interviews

There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder education, is very crucial in the management of stakeholders in urban development projects in South Africa. All experts agreed with the caption of this CSF.
6.6.9.4 Hypothesis formulation
Based on substantiation in the aforementioned stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H9: There is a positive relationship between “explaining and simplifying the project implications and potential impact to the stakeholders’ sophistication levels” and improved stakeholder management in urban development projects.

6.6.10 STAKEHOLDER RISK
Managing the stakeholder related project risks (identification, analysis, monitoring, control, and mitigation of the stakeholder related project risks) by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In managing the stakeholder related project risks, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In managing the stakeholder related project risks, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In managing the stakeholder related project risks, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.10.1 Literature review
The stakeholder-risk factor is important in the management of stakeholders in urban development projects; however, stakeholder management literature is not that vocal on this factor. The nature of stakeholder management in general and the contentious, the sensitivity, and the volatile nature of urban development projects in South Africa, emanating from stakeholder related issues in particular, has some risk element inherent in it. Risk management may be a separate area of project management, or a separate knowledge area to borrow from PMBOK (2008); however, it is intertwined
with stakeholder management. In risk management, the identification of risks is triggered by certain triggers, where one of them is the stakeholder-profile register, and enterprise environmental factors, which is the stakeholder environment (PMBOK, 2008: 284).

In every project, particularly urban development projects, there are risks that are stakeholder-based; as a result, risk-management strategies and processes should be incorporated into the stakeholder management effort in urban development projects. It is through interacting with its internal and external stakeholders that the organisation would ensure that all the pertinent risks are identified and addressed, since risk management usually takes place in a social context (Deng & Zhou, 2010: 284).

According to Bourne and Walker (2005: 658), it is the competence of the project manager to be capable of identifying potential project risks and particularly stakeholder-related risks. That is, the identification of (stakeholder-related or triggered) risks, their analysis, their control, and their mitigation are factors – and depend on the competence – of urban development project management. Schwarzkopf (2006: 327) states that the perception of risks – in an organisation or a project – is significant, primarily as a basis for the stakeholders’ interests, but also because the balance between risk taking and trust underpins the establishment and sustenance of organisation-stakeholder relations.

As discussed in 3.5.5, urban development project risk refers to all those uncertain events or conditions that may occur as a result of dissatisfied project stakeholders’ action – or inaction – that may have an adverse effect on the success of the project. Protest action by the mini-bus taxi industry and civil organisations related to the Johannesburg BRT project and the Gauteng Freeway Improvement project, respectively, give credence to the raising of risk logs by project management in these projects.

According to Deng and Zhou (2010: 284), the construction industry – and by inference the urban development space – has a greater risk propensity in comparison with other industries, mainly due to its intricacy and longevity; and as a
result, numerous scholars highlight the significance of risk management in such projects. Urban development projects are even more complex than general construction projects – adding to the construction aspect of most urban development projects are socio-political, socio-economic, and socio-ecological factors of environments within which urban development projects are implemented. And as a result, there are inherent risks.

Deng and Zhou (2010: 284) also state that construction projects, and by inference urban development projects, have a high risk propensity due to the uncertainty element of such projects, the complexity and unpredictability of intrinsic risks in such projects is further aggravated by the inconsistent interests between the projects and their stakeholders, as well as stakeholders’ interests that are in contention with each other. As a result, for such projects, risk management is an absolute necessity; and its significance is receiving attention and recognition from both academia and the practice.

Logical reasoning and inference dictate that this would also apply even more to urban development projects. According to Deng and Zhou (2010: 284), construction projects, and by inference urban development projects, derive their complexity, not only from the hardware and software dependencies, but mainly from the usually complex project environment, the complex stakeholder network, and the complex set of stakeholders’ interests. It is for this reason, among others, that stakeholder management is an indispensable ingredient of project management because it prescribes the collection and thorough consideration of stakeholders’ complex requirements, and a thorough consideration of the potential environmental impacts.

The Chinese construction project managers, by and large, do not recognise the links between the stakeholders and risks in their projects; as a result risk management in most Chinese construction projects is poorly implemented; and as a consequence, such projects are riddled with stakeholder related risks and issues (Deng & Zhou, 2010: 284). Judging by the prevalence of stakeholder related issues in South African urban development projects, as discussed in 2.6, it is probably also the case with urban development project managers in South Africa.
Deng and Zhou (2010: 285) conclude by stating that risks should be managed effectively in such projects: thorough identification of the stakeholders and early identification of risks and their sources is very critical, largely because project success in such projects is a function of the correlation between stakeholder management and risk management. As stated earlier, risk management and stakeholder-risk management form an integral part of stakeholder management; consequently, it cannot be ignored.

### 6.6.10.2 Stakeholder interviews

What has been found from stakeholder interviews is that this aspect, stakeholder risk management, is not being fully embraced in urban development projects in South Africa. However, this assertion is deductive – primarily because there seem to have been no mitigation strategies in place to be executed when stakeholder related risks were triggered. The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to plan for and mitigate any risks that may arise due to stakeholder related issues – so as to eliminate, or at best to minimise potential disruptions of the project work and/or outcome.

There is a need in urban development projects for this aspect of stakeholder management (stakeholder-risk management) to be appreciated and embraced as a critical success factor in the success of the overall project.

### 6.6.10.3 Expert interviews

There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder-risk management, is very crucial in the management of stakeholders in urban development projects in South Africa. All experts agreed with the caption of this CSF.
6.6.10.4 Hypothesis formulation
Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H10: There is a positive relationship between “identification, analysis, monitoring, control, and mitigation of stakeholder related risks” and improved stakeholder management in urban development projects.

6.6.11 STAKEHOLDER RELATIONS
The development and nurturing of the stakeholder relations by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In developing and nurturing the stakeholder relations, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In developing and nurturing the stakeholder relations, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In developing and nurturing the stakeholder relations, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.11.1 Literature review
The relationship between the project manager and/or the project team and the project stakeholders is important, without which other stakeholder management efforts become ineffectual. Yang et al. (2010: 3) state that other studies, for example, those of Bakens et al. (2005), Jergeas et al. (2000), Karlsen (2008), Olander and Landin (2008), and Young (2006), show that the relationship between the project team and the stakeholders is important. One of the steps of the stakeholder management model by Karlsen (2002: 19) is following up. Following up simply
means keeping in touch with, and being continuously aware of, what is happening in the stakeholder world.

Of the seven stakeholder management-models analysed by Yang et al. (2010: 4), and as reviewed in 4.5, only four show factors with an aspect of stakeholder relations and they are captured as: following up; developing a stakeholder-engagement strategy; engaging stakeholders; and decisions about which strategy to use to influence each stakeholder.

It must be emphasised that the project-stakeholder relationship should be based on trust between the project team and the stakeholders. Karlsen et al. (2008: 1), who devoted their entire study on the subject of building trust in project-stakeholder relationships, attest to the importance of trust-based relationships by identifying nine factors that are important for building trust between a project team and its stakeholders. Karlsen et al. (2008: 9) state that even though the trust concept is defined differently by different theorists; nevertheless, its significance in a business environment is unquestioned; and different theorists are unanimous on this aspect.

Karlsen et al. (2008: 9), citing Rousseau et al. (1998), also state that trust is an indispensable basis for fostering behaviour that is cooperative, for promoting effective conflict-and-crisis resolution, and for creating an accommodating organisational environment. Karlsen et al. (2008: 9), citing Carnevale and Wechsler (1992: 471), further state that trust is also a significant ingredient of problem-solving, because “it encourages the exchange of relevant information and [it] determines whether team members are willing to permit others to influence their decisions and actions”.

Karlsen et al. (2008: 9), citing Humphries and Wilding (2004: 1108), argue that trust is a more effective form of management control than some prevalent formal and dogmatic management methods. According to Karlsen et al. (2008: 17), there are nine factors for building trust between a project team and the stakeholders; and they are: reliable behaviour; good communication; sincerity; competence; integrity; reaching project milestones; goal congruence; commitment; and benevolence.
The establishment of trust in project-stakeholder relationships is not only limited to respect, but also demands dealing with each other ethically and with integrity. Karlse...
effort; however, the greater challenge is to maintain trust and good communication over time.

There are a few proven methods needed, in order to maintain trust and communication. According to Gordon and Curlee (2011: 3), one method is to create a reserve of trust over time, a concept called a trust bank. A reserve of trust, or a trust bank, is where the individuals have interacted adequately, so that they know and respect one another (Gordon & Curlee, 2011: 3). Trust is an integral part of a successful team; and along with that trust must also come respect by/for others.

The continual building of trust over time should help to create a reserve of trust; hence, one cannot have a trust bank with strangers because unknown individuals have not proven themselves trustworthy (Gordon & Curlee, 2011: 3). According to Foo (2007: 381), “stakeholder engagement is defined as trust-based collaboration”. The evolution and recognition of the stakeholder-engagement approach is a key demonstration of the credence that trust and cooperation are instrumental in organisational competitive edge (Foo, 2007: 381).

Urban development projects are usually implemented within and among communities; and as a result of the impact of project work or project outcome on community life, relationships are important for the success of such projects. In managing such projects, it is not enough for project managers to focus only on the traditional project constraints: time, cost, and scope or performance, but the requirements of people skills are critical to the mission.

Bourne and Walker (2004: 227) state that the PMBOK gives pre-eminence to “hard-skills” project management areas, such as scope management, time management, and cost management; and less emphasis is put on “soft-skills” areas, the essential relationship-focused areas, such as communication management and human-resource management. Proficiency in relationship management is very important for realising project deliverables that deal entirely with stakeholder expectations throughout the life of a project (Bourne & Walker, 2004: 227).
It is relations skills, not hardware or techniques, which enable the effective application of hard skills – because, in the final analysis, it is human beings that realise projects (Bourne & Walker, 2004: 227).

Transparency and honesty are important in building and maintaining healthy relationships between urban development project teams and project stakeholders. Freeman (1988: 44) stated that the mismanagement of organisational relationships (with the community within which it conducts its business) by the organisation, is a violation of its social contract with the community; and it is tantamount to committing a crime, punishable by being distrusted and ostracised. Therefore, it is not in the best interests of the project-implementing agency or internal stakeholders to short-change stakeholder communities – within which urban development projects are being implemented.

It is crucial for urban development project managers to be on top of their game all the time, actively influencing stakeholders’ expectations, negotiating middle ground, addressing their concerns, and resolving their issues (PMBOK, 2008: 261). Olander (2003: 56) provides an example by stating that in situations where it is not feasible to prevent some impacts to the satisfaction of all stakeholders, compensations for those affected should be negotiated. According to Bourne and Walker (2005: 658), it is the competence of the project manager to be capable in identifying potential project risks and particularly stakeholder related risks. Karlsen et al. (2008: 7) state that it is important for project managers to develop cordial relations with the project stakeholders, because such are crucial for the end result.

According to Freeman and McVea (2001: 9), stakeholder relationships should be handled in a rational and strategic manner. Freeman and McVea (2001: 11) further state that stakeholder relationships do not just happen – they should be developed and nourished by project managers. According to Boatright (2006: 108), the effect of stakeholder-relations management may be that the individual stakeholder’s interests are served; but this is not necessarily its aim. The principal aim is to give an adequate consideration to all stakeholders’ interests, so as to motivate their active cooperation. The project manager’s role is not just to coordinate the stakeholders’ needs and requirements, but mainly to channel and leverage all stakeholders’ efforts
in the development of a conducive environment that impels the project to deliver and be successful in the eyes of all concerned (Boatright, 2006: 108). A project manager (organisation or project implementing agency) who disregards project stakeholders, or worse still, who isolates them, is brewing a failure potential for his/her project (Boatright, 2006: 108).

According to Olander (2003: 56), in cases where it is not feasible to prevent some impacts on the satisfaction of all stakeholders, compensation for those affected should be negotiated. The project-implementing agency in urban development projects should put “a package of benefits together, so that the host community feels that it is better off with the facility than without it” (Olander, 2003: 56). According to Freeman and McVea (2001: 4), successful stakeholder management strategies are those that integrate the interests of all the stakeholders, rather than maximising the position of one group (shareholders) within the limitations provided by the others.

Olander (2003: 57) also states that an organisation that is operating a facility within a community should, over and above ensuring stringent processes for alleviating and preventing all known hazards, have in place adequate contingency and disaster management plans that are agreed to by all the stakeholders, including the community. The plans and/or agreements should be specific about the recourse in case of contingencies and/or disasters happening, services being interrupted, enhancement of standards, or discovery of new technical information about previously unknown hazards.

The contingency plans and/or agreements should provide not only the recourse, but also the guarantees that the recourse will be fully invoked at no expense to those who are likely to be harmed as a result of the contingency or disaster being triggered (Olander, 2003: 57).

The stakeholder-relations factor seals the entire stakeholder management effort in urban development projects. Ensuring stakeholder relations based on trust and integrity serves as a lubricant in all potential friction that may arise between the project team and the project stakeholders. Urban development projects, because of their invasive nature, cannot be left to the traditional hard-core project management
effort of managing time, cost, and scope. But people skills, stakeholder relations skills in particular, are important if urban development projects are to be declared successful in the view of all stakeholders.

6.6.11.2 Stakeholder interviews
What has been found from stakeholder interviews is that this aspect, stakeholder relations, is not being fully embraced in urban development projects in South Africa. Firstly, in the prevailing poor communication with stakeholders, poor early participation by stakeholders, poor stakeholder education on urban development projects’ potential impact, there is a poor premise for establishing any cordial relations with stakeholders. Secondly, in one project, what had been communicated to stakeholders by the project team proved later to be untrue; and such issues do not promote frank relations established on mutual trust and respect.

The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to ensure effective communication with stakeholders and effective management of stakeholders and their interests, because of the prevailing atmosphere of such communication and management. In the absence of openness, frankness, trust, and respect it becomes difficult for minds to meet and to effect progress. There is a need in urban development projects for this aspect of stakeholder management (stakeholder-relations fostering) to be appreciated and embraced as a critical success factor in the success of the overall project.

6.6.11.3 Expert interviews
There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder relations, is very crucial in the management of stakeholders in urban development projects in South Africa. All experts agreed with the caption of this CSF.
6.6.11.4 Hypothesis formulation

Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H11: There is a positive relationship between “open and frank stakeholder relations established on mutual trust and respect” and improved stakeholder management in urban development projects.

6.6.12 STAKEHOLDER STRATEGY

The formulation and execution of the stakeholder management strategies by the projects practitioners in urban development projects is in line with the three stakeholder theory perspectives.

- In formulating and executing the stakeholder management strategies, projects practitioners are enabled to understand where and how each stakeholder is linked (affected or affecting) to the urban development project – descriptive view.
- In formulating and executing the stakeholder management strategies, projects practitioners are enabled to realise the importance of all stakeholders in the survival and the success of the urban development project – instrumental view.
- In formulating and executing the stakeholder management strategies, projects practitioners are enabled to realise the rights of stakeholders to be treated with ethical responsibility by the urban development project – normative view.

6.6.12.1 Literature review

In most stakeholder management models, stakeholder strategy is the final stage that determines how stakeholders, or discrete stakeholder groups, should be effectively managed by a corporation or project (Chung et al., 2009: 61; Postema et al., 2011: 13; Simmons & Lovegrove, 2005: 496; Stretton, 2010: 8). However, as is the case with stakeholder classification, classical stakeholder strategies found in stakeholder management models seem to be the management stances motivated more by descriptive and instrumental reasons (as opposed to normative reasons). These were discussed in 4.5.2; and they are more about understanding prevalent
stakeholder attributes and prevalent stakeholder management processes (descriptive stakeholder management), and how best to manage stakeholders for corporate or project success (instrumental stakeholder management) without an indication of being influenced by corporate’s or project’s ethical responsibility towards its stakeholders (normative stakeholder management).

According to Olander (2003: 33), stakeholder strategy refers to an organisational-prescriptive approach for accomplishing stakeholder interest. Whereas, Rees (2002: 2), citing LaBerge et al. (2000: 49), has defined stakeholder strategy as a method employed by organisations in defining their stakeholder goals, expectations, and commitment, and is based on the organisational core values: business policy, environmental factors, and stakeholder communication.

Stakeholder-strategy formulation or selection cuts across various literature on stakeholder management models and is regarded as a critical factor in the effective management of stakeholders (Bourne, 2008: 591; Freeman et al., 2001: 14; Olander & Landin, 2005: 327; Yang et al., 2009a: 340).

Freeman and McVea (2001: 14) have argued that effective stakeholder strategies comprehensively balance multiple stakeholders’ interests – benefits and harms – as opposed to offsetting one stakeholder interest against another. According to Olander and Landin (2005: 327), the effectiveness of stakeholder strategy should be judged by its effectiveness in resolving conflicts of interests. Bourne (2008: 597) argues that successful stakeholder strategies rest primarily on developing and nurturing stakeholder relationships. This is a precursor to a culture of stakeholder engagement.

Yang et al. (2009a: 340), citing Karlsen (2002), state that in the final analysis, the stakeholder management strategy goes beyond which strategy has been selected, but its effectiveness rests mainly on the attitude of project managers towards project stakeholders: How ethically responsible are the project managers towards the project stakeholders? Even though these views differ in connotation and approach; nevertheless, they are in agreement on the significance of a deliberate formulation or choice of a stakeholder strategy to ensure the effectiveness of managing stakeholders.
6.6.12.2 Stakeholder interviews

What has been found from stakeholder interviews is that this aspect, stakeholder strategy, is not being fully embraced in urban development projects in South Africa. In the atmosphere of inadequate recognition of (external) stakeholders, inadequate identification, profiling, and classification of (external) stakeholders, it is a given that there would not be strategies in place to manage such (external) stakeholders. Overall, what has been found from stakeholder interviews is that the project approach is that of justifying a need for the project, and then executing the project on the basis of the set scope, time, cost, and quality. That is, project success is defined in these terms only.

It is not recognised that such projects are not implemented in a vacuum; but they impact on the socio-political, socio-economic, and socio-ecological wellbeing of the country’s citizens. Stakeholder management and ethical responsibility towards stakeholders is the least concern in the list of project priorities to a typical South African urban development projects practitioner. Therefore, stakeholder strategies are virtually absent in most urban development project management in South Africa.

The purpose of this aspect of stakeholder management is to help the project team, in its planning and execution, to have appropriate strategies in place, in order to manage stakeholders and their interests, according to their profiles and classification, so as to maximise the project success by eliminating or minimising potential disruption of project work and/or outcome by stakeholders. There is a need in urban development projects for this aspect of stakeholder management (stakeholder management strategies) to be appreciated and embraced as a critical success factor in the success of the overall project.

6.6.12.3 Expert interviews

There has been unanimous agreement by all project management experts consulted that this aspect of stakeholder management, stakeholder strategy, is very crucial in the management of stakeholders in urban development projects in South Africa. Some experts have suggested that the caption of this CSF should be amended from “formulating or selecting appropriate stakeholder management strategy for executing...”
stakeholder management activities” to “formulating and executing appropriate stakeholder management strategies for all stakeholder groups”; and as a result, it was amended.

6.6.12.4 Hypothesis formulation
Based on substantiation in the aforementioned scholarly literature, stakeholder interviews, expert interviews, and subsequently the aforementioned analysis, the following hypothesis is formulated:

H₁₂: There is a positive relationship between “formulating and executing appropriate stakeholder management strategies for all stakeholder groups” and improved stakeholder management in urban development projects.

6.6 SUMMARY
In this chapter, a theoretical model to improve stakeholder management in urban development projects in South Africa was developed.

CSFs’ approach in the development of a theoretical framework was discussed and justified on the basis of previous studies. Previous studies show that the CSFs approach is a universal business-management method, and is a research approach to improve the performance of the management process, and also that the method has scholarly credibility and is scholarly suitable.

A selection of few previous studies on stakeholder management in projects (other than urban development projects) was discussed and a theoretical space is created for this study in the relevant literature. Previous fraternal studies on stakeholder management in projects were conducted on pure construction projects; and there seem to be none conducted in urban development environment; as a result, this study provides that missing urban development dimension. These socio-political and socio-economic realities in the South African urban development context distinguish this study from previous fraternal studies that were conducted – mainly in the Far East and Oceania – where socio-political and socio-economic factors are different.
Previous fraternal studies do not seem to meet the framework criteria for this study; and they are not comprehensive and coherent enough to meet the criteria of this study. These aspects support a need and a research gap for this study in the body of knowledge.

A theoretical model to improve stakeholder management in urban development projects in South Africa was developed. This theoretical model consisted of twelve (12) CSFs, which were developed in a three-step scholarly process: literature review, contextual stakeholder interviews analysis, and consultative expert interviews analysis. The twelve (12) CSFs are: stakeholder environment; stakeholder recognition; stakeholder identification; stakeholder profiling; stakeholder classification; stakeholder interest; stakeholder communication; stakeholder participation; stakeholder education; stakeholder risk; stakeholder relations; and stakeholder strategy.

This chapter has provided the theoretical model for the study. It identified, contextualised, and confirmed CSFs for improving stakeholder management in urban development projects in South Africa – which was the first research secondary objective. The next chapter will provide a statistical analysis of the CSFs data. It will also discuss the empirical results and the key findings of the study.
CHAPTER 7: EMPIRICAL RESULTS AND KEY FINDINGS

7.1 INTRODUCTION
The primary objective of this study has been to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management critical success factors (CSFs) that have an influence on stakeholder management success in urban development projects in South Africa. Three secondary study objectives that culminate in this primary objective are: (1) to identify the CSFs through the literature review, to contextualise the identified CSFs through stakeholder interviews, and confirm the identified and contextualised CSFs through expert interviews; (2) to quantitatively rank and prioritise the confirmed CSFs through univariate and bivariate statistical analysis; and (3) to the explore structural dimensions underlying the ranked CSFs through multivariate statistical analysis.

The first secondary study objective was fulfilled through Chapters 2, 3, 4, and 6. This chapter fulfils the second and third secondary study objectives – by analysing and interpreting the empirical data collected through the process prescribed in Chapter 5, discussing and linking key findings (practice) to theory.

The research empirical data are presented and analysed on the basis of four sections, out of six, of the questionnaire structure, as discussed in 5.4.6. A sample questionnaire is represented in Appendix iii. The four sections are: (1) the background and demographic information of the respondents; (2) the stakeholder management practice of respondents; (3) the respondents’ views on stakeholder management key issues; and (4) the respondents’ opinions on the significance of stated CSFs on stakeholder management in urban development projects in South Africa. The key findings are discussed and linked to the theory, as critically reviewed in Chapters 2, 3, 4, and 6.

7.2 SAMPLE DEMOGRAPHICS
A total of 223 responses were received from a sample of 694 surveyed projects practitioners. That translates to an approximate 32 per cent response rate. The
respondents were asked background and demographic questions relating to their association with the project management profession and practice. The following are descriptive statistics (univariate frequency tables and graphs) on the demographic constitution of the 223 respondents.

<table>
<thead>
<tr>
<th>Position demographic group strata</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPS1 Project Manager</td>
<td>147</td>
<td>66%</td>
</tr>
<tr>
<td>RPS2 Project Engineer</td>
<td>13</td>
<td>6%</td>
</tr>
<tr>
<td>RPS3 Project Architect</td>
<td>4</td>
<td>2%</td>
</tr>
<tr>
<td>RPS4 Programme Manager</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>RPS5 Portfolio Manager</td>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td>RPS6 Construction Manager</td>
<td>7</td>
<td>3%</td>
</tr>
<tr>
<td>RPS7 Other</td>
<td>37</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 7.1 presents the proportional representation of respondents by the positions they hold in projects. The research sample consisted of projects practitioners. That is, individuals who play any of the following role(s) in projects: project manager, project engineer, project architect, programme manager, portfolio manager, or any other significant role within the management of projects. The sample excludes project members who are the (human) resources performing the actual project work. Two-thirds (66 per cent) of the respondents were “project managers”.

The review of the significantly high (20 per cent) of the “other” category revealed seven respondents (3 per cent) who are construction managers; hence, the new category “construction manager” was a necessary addition to the questionnaire category list. Also, as a result, the “other” category was reduced to 17 per cent. The rest of the “other” category respondents did not justify further extension of the category list. From these descriptive statistics, the research respondents hold
appropriate positions or play appropriate roles in the management of projects to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects.

Table 7.2 Experience demographic group strata

<table>
<thead>
<tr>
<th>Experience</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>REX1 0–1 years</td>
<td>8</td>
<td>4%</td>
</tr>
<tr>
<td>REX2 2–4 years</td>
<td>39</td>
<td>17%</td>
</tr>
<tr>
<td>REX3 5–9 years</td>
<td>66</td>
<td>30%</td>
</tr>
<tr>
<td>REX4 10–19 years</td>
<td>65</td>
<td>29%</td>
</tr>
<tr>
<td>REX5 20–29 years</td>
<td>23</td>
<td>10%</td>
</tr>
<tr>
<td>REX6 Over 30 years</td>
<td>22</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Researcher

Table 7.2 presents the proportional representation of respondents by experience (number of years) they have been in the management of projects. Half (49 per cent) of the respondents had been managing projects for over 10 years, which includes one-fifth (20 per cent) of those who have been managing projects for over 20 years. However, the “5–9 years” category shares the lead of most respondents with “10–19 years” category: each accounting for 30 per cent and 29 per cent, respectively, of the respondents.

From these descriptive statistics, it may be seen that the research respondents have had adequate experience in the management of projects to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects.
Table 7.3 presents the proportional representation of respondents by qualifications they hold in projects. Approximately half (47 per cent) of the respondents hold a certificate or a diploma in project management; and a significant one-fifth (20 per cent) hold no formal project management qualification. However, this is in contrast to Table 7.4 (other/non-project management qualification) where just below two-thirds (61 per cent) of the respondents hold a university degree. The cause of this contrast was discussed in 3.5.3, where the access route to the project management profession was discussed.

The most common access route to becoming a project manager is from other occupations/professions – that is, project managers usually start their careers in functional areas, for example, as engineers, I.T. programmers, business analysts, accountants, marketers, et cetera (Paton et al., 2010: 160) and then later diversify their careers into project management. It should also be noted that, over and above the degree qualifications that the respondents hold in other fields, approximately half of them went further to acquire a certificate or a diploma in project management to augment the professional qualifications they already held.
The review of the “other” category, although significant at 13 per cent, did not warrant the extension of the category list. From these descriptive statistics, the research respondents hold adequate qualifications (functional degree plus a certificate or diploma in project management) in the management of projects to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects.

Table 7.4 Other qualification demographic group strata

<table>
<thead>
<tr>
<th>ROQ</th>
<th>Qualification</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROQ1</td>
<td>Matric</td>
<td>9</td>
<td>4%</td>
</tr>
<tr>
<td>ROQ2</td>
<td>Certificate / Diploma</td>
<td>70</td>
<td>31%</td>
</tr>
<tr>
<td>ROQ3</td>
<td>Degree</td>
<td>66</td>
<td>30%</td>
</tr>
<tr>
<td>ROQ4</td>
<td>Honours Degree</td>
<td>35</td>
<td>16%</td>
</tr>
<tr>
<td>ROQ5</td>
<td>Master’s Degree</td>
<td>33</td>
<td>15%</td>
</tr>
<tr>
<td>ROQ6</td>
<td>Doctoral Degree</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td>ROQ7</td>
<td>Other</td>
<td>7</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>223</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 7.4 presents the proportional representation of respondents by (other / non-project management) functional qualifications they hold. Just below two-thirds (61 per cent) of the respondents hold a university degree and just below a third (32 per cent) of the respondents hold a postgraduate degree. The review of the “other” category, not significant at 3 per cent, did not warrant the extension of the category list. As substantiated already, the research respondents hold adequate qualifications (functional degree plus a certificate or diploma in project management) to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects.
Table 7.5 Certification demographic group strata

<table>
<thead>
<tr>
<th>RCE</th>
<th>Certification</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCE1</td>
<td>None</td>
<td>78</td>
<td>35%</td>
</tr>
<tr>
<td>RCE2</td>
<td>API</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>RCE3</td>
<td>CSP / CSM</td>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td>RCE4</td>
<td>PMP / PgMP</td>
<td>70</td>
<td>31%</td>
</tr>
<tr>
<td>RCE5</td>
<td>PRINCE2</td>
<td>14</td>
<td>6%</td>
</tr>
<tr>
<td>RCE6</td>
<td>PrCM</td>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td>RCE7</td>
<td>PrCPM</td>
<td>16</td>
<td>7%</td>
</tr>
<tr>
<td>RCE8</td>
<td>C-CPM</td>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td>RCE9</td>
<td>Other</td>
<td>36</td>
<td>16%</td>
</tr>
</tbody>
</table>

Total (Cases) 230 100%
Total (Respondents) 223 103%

NB: Respondents were allowed to select more than one certification hence “cases >= respondents”

Source: Researcher

Table 7.5 presents the proportional representation of certification cases that respondents hold in projects. This statistic is reported by the number of cases as opposed to the number of respondents, as respondents were allowed to select more than one certification, as a result “number of cases >= number of respondents”. As discussed in 3.5, the practice of project management, in general, is organised around standards that are prescribed by various project management associations.

Project management associations exist for the purpose of being custodians of the profession; and they have codified the project management profession in a variety of prescribed books and educational material (Lundin & Soderholm, 1995: 444). Individual project management practitioners and organisations usually adopt the set of standards prescribed by the association with which they are affiliated, or to whose standards they wish to align their practice. Project management practitioners may choose to be certified by an association that they are aligned to by meeting the
certification criteria set by an association, and passing the association’s prescribed certification exam.

For reasons already discussed, project management is usually a secondary profession; and projects practitioners, frequently, hold a primary functional qualification. However, just over a third (35 per cent) of respondents do not hold any certification. And just under two-thirds (65 per cent) hold a certification of some kind. Again, as already discussed in 3.5, there is a general agreement among project-management scholars and practitioners that PMI’s PMBOK guideline or standards manual is the most recognised, accepted, and used internationally; and consequently PMP is the most prevalent certification (Andrade & Bernardes, 2009: 16; Chin, Yap & Spowage, 2010: 3; Crawford, 2005: 9; Ilies, Crisan & Muresan, 2010: 48; Lundin & Soderholm, 1995: 444; McHugh & Hogan, 2010: 3; Plemmons & Jones, 2007: 4; Zdanytė & Neverauskas, 2011: 1016).

Just under a third (31 per cent) of the respondents hold PMI’s PMP certification. The review of the significantly high (27 per cent) of the “other” category revealed five cases (2 per cent) that are certified professional-construction managers (PrCM), 16 cases (7 per cent) that are certified professional-construction project managers (PrCPM), and a further five cases (2 per cent) that are candidate-construction project managers (C-CPM); hence, the new categories “PrCM”, “PrCPM”, and “C-CPM” were a necessary addition to the questionnaire category list.

Also, as a result, the “other” category was reduced to 16 per cent. The rest of the “other” category cases did not justify any further extension of the category list. From these descriptive statistics, it may be seen that there is an adequate number of respondents with a certification in the management of projects (66 per cent) to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects.
Table 7.6 Membership demographic group strata

<table>
<thead>
<tr>
<th>Membership demographic group strata</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>RME1 None</td>
<td>24</td>
<td>11%</td>
</tr>
<tr>
<td>RME2 ACPM</td>
<td>25</td>
<td>11%</td>
</tr>
<tr>
<td>RME3 APMSA</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>RME4 PMSA</td>
<td>24</td>
<td>11%</td>
</tr>
<tr>
<td>RME5 PMI / PMI-SA</td>
<td>22</td>
<td>10%</td>
</tr>
<tr>
<td>RME6 SACPCMP</td>
<td>167</td>
<td>75%</td>
</tr>
<tr>
<td>RME7 Other</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total (Cases)</strong></td>
<td>270</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total (Respondents)</strong></td>
<td>223</td>
<td>121%</td>
</tr>
</tbody>
</table>

NB: Respondents were allowed to select more than one membership hence “cases >= respondents”

Source: Researcher

Table 7.6 presents the proportional representation of membership cases that respondents hold in project management associations. This statistic is reported by the number of cases, as opposed to the number of respondents, as the respondents were allowed to select more than one membership; and as a result the “number of cases >= number of respondents”.

SACPCMP affiliation accounts for just under two-thirds (62 per cent) of cases – primarily because SACPCMP is the largest construction and project organisation in South Africa; and it is the only organisation, apart from ACPM, which is a subset of SACPCMP, as discussed in 5.3.8, and 5.4.6, that allowed the researcher access to its affiliates, whereas other organisations declined a direct and/or partial access to their affiliates. The membership aspect can be explained in similar terms, as discussed for Table 7.5: respondent certification.

The review of the “other” category, not significant at 2 per cent, did not warrant the extension of the category list. From these descriptive statistics, it may be seen that there is an adequate number of respondents with affiliation in the management of
projects (91 per cent) to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects.

### Table 7.7 Project type demographic group strata

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPT1 Building</td>
<td>146</td>
<td>65%</td>
</tr>
<tr>
<td>RPT2 Civil</td>
<td>109</td>
<td>49%</td>
</tr>
<tr>
<td>RPT3 Industrial</td>
<td>47</td>
<td>21%</td>
</tr>
<tr>
<td>RPT4 I.T.</td>
<td>21</td>
<td>9%</td>
</tr>
<tr>
<td>RPT5 Management Consulting</td>
<td>52</td>
<td>23%</td>
</tr>
<tr>
<td>RPT6 Urban Development</td>
<td>35</td>
<td>16%</td>
</tr>
<tr>
<td>RPT7 Other</td>
<td>30</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Total (Cases)</strong></td>
<td>440</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total (Respondents)</strong></td>
<td>223</td>
<td>197%</td>
</tr>
</tbody>
</table>

**NB:** Respondents were allowed to select more than one project type hence “cases >= respondents”

Source: Researcher

Table 7.7 presents the proportional representation of project-type cases in which the respondents have worked. This statistic is reported by the number of cases, as opposed to the number of respondents, as respondents were allowed to select more than one project type; as a result, the “number of cases >= number of respondents”. The number of cases is almost double the number of respondents; and this indicates that a face-value average (without computing variability – standard deviation or variance) respondent may have been exposed to two types of projects.

The built project type (building, civil, industrial, and urban development) accounts for over three-quarters (77 per cent) of cases, primarily because three-quarters (75 per cent) of the cases are SACPCMP affiliates. The review of the “other” category, although significant at 7 per cent, did not warrant the extension of the category list. From these descriptive statistics, it may be observed that all the respondents have been exposed to some sort of a project at management level. There is also an
adequate number of cases with built-environment project-type exposure (77 per cent); and a further 8 per cent cases of urban development project-type exposure to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects.

7.3 STAKEHOLDER MANAGEMENT PRACTICE

The project management profession and body of knowledge view stakeholder management in a serious light. Actually, a failure in properly and adequately implementing stakeholder management and a failure in successfully managing stakeholders’ interest in a project is tantamount to a failure of the project itself (Bourne & Walker, 2005: 650; Haughey, 2010: 1; Kappelman, McKeeman & Zhang, 2006: 32; Karlsen, 2002: 20; Yeo, 2002: 242;).

There is a general consensus among numerous researchers that there is a general lack of knowledge for project managers on how to manage stakeholders, particularly external stakeholders (Olander, 2003: 19). According to Worsley (2011: 22), stakeholder management is an aspect of project management that is not well understood by the profession; and as a result, its implementation is inadequate. Even the custodians of the profession, project management associations, have neglected it for too long (Worsley, 2011: 22).

It is only recently that the PMI, in the forthcoming PMBOK Guide 5th edition, is considering expanding the list of facilitative knowledge areas to include stakeholder management (Draft PMBOK, 2012).

Against the background of the arguments advanced above, the purpose of the variable measured in this section is to determine the prevalence of the stakeholder-management practice among respondents, and the extent to which these practices are formal. The respondents were asked to select a statement, from a provided list with “other” options, that best describe their stakeholder management practice.
Table 7.8 presents the proportional representation of the stakeholder management practice by respondents. Just over a quarter (28 per cent) of the respondents practise a consistent blueprinted stakeholder management; and just under a third (32 per cent) formulate the bespoke practice to suit the factors of individual projects. A significant number of respondents (37 per cent) either do not practise stakeholder management (13 per cent) or have crafted a mental stakeholder management practice (24 per cent).

The review of the "other" category, even though not significant at 3 per cent, did not warrant the extension of the category list, and did not suggest any other procedures in stakeholder management practice. It is 28 per cent of respondents who seem to practise a definite, well-thought out and formalised stakeholder management practice; however, the bespoke practice of 32 per cent probably also practise a formalised stakeholder management if ‘formulated as required per project’ is unpacked. As many as 24 per cent mental procedure respondents do not follow any particular framework, or at least not a formalised framework. Only 13 per cent of
respondents do not have any procedure at all, documented or mental. Even though this number is not significant, it is an indictment of the lack of appreciation of the significance of stakeholder management in projects.

7.4 STAKEHOLDER MANAGEMENT KEY ISSUES

Stakeholder management key issues entail generic but salient aspects of stakeholder management, as reviewed in 4.5., namely: organisational stakeholder views, stakeholder classes, and stakeholder management strategies.

7.4.1 Stakeholder view of urban development projects

The stakeholder view of the firm describes an urban development project as an aggregation of groups (or individuals) with specific interests (Dentchev, 2004: 16). As a result, it is in line with the descriptive, instrumental, and normative stakeholder theories, since it graphically describes the relationship that an urban development project has with its stakeholders; it also recognises the instrumentality of all stakeholders as constituents in urban development project success; and it acknowledges urban development project management responsibility towards its stakeholders (Dentchev, 2004: 16; Garcia-Castro, Arino & Canela, 2008: 1).

The respondents were asked to rate their degree of agreement on the extent to which individuals, communities, organisations, groups in a list provided are stakeholders in urban development projects in South Africa, according to a five-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree). That is, to give their views on the constituents of the stakeholder view of urban development projects in South Africa.
Table 7.9 Stakeholder groups ranking

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business communities – formal</td>
<td>4.1973</td>
<td>4</td>
</tr>
<tr>
<td>Business communities – informal</td>
<td>3.7040</td>
<td>11</td>
</tr>
<tr>
<td>Civil organisations</td>
<td>3.9552</td>
<td>8</td>
</tr>
<tr>
<td>Clients / customers</td>
<td>4.5381</td>
<td>1</td>
</tr>
<tr>
<td>Contractors / consultants / suppliers</td>
<td>4.1525</td>
<td>7</td>
</tr>
<tr>
<td>Commuters</td>
<td>3.7085</td>
<td>9</td>
</tr>
<tr>
<td>Cultural groups / Sports groups</td>
<td>3.4529</td>
<td>15</td>
</tr>
<tr>
<td>Employees</td>
<td>3.7085</td>
<td>9</td>
</tr>
<tr>
<td>Environmentalists</td>
<td>4.1570</td>
<td>6</td>
</tr>
<tr>
<td>Financiers / sponsors</td>
<td>4.4484</td>
<td>3</td>
</tr>
<tr>
<td>Governments – national / provincial / local</td>
<td>4.4843</td>
<td>2</td>
</tr>
<tr>
<td>Labour unions</td>
<td>3.5605</td>
<td>13</td>
</tr>
<tr>
<td>Local communities</td>
<td>4.1749</td>
<td>5</td>
</tr>
<tr>
<td>Media</td>
<td>3.1480</td>
<td>18</td>
</tr>
<tr>
<td>Motorists</td>
<td>3.4798</td>
<td>14</td>
</tr>
<tr>
<td>Non-governmental organisations</td>
<td>3.3946</td>
<td>16</td>
</tr>
<tr>
<td>Political parties</td>
<td>3.1704</td>
<td>17</td>
</tr>
<tr>
<td>Special interest groups</td>
<td>3.5919</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>0.8834</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Researcher

Table 7.9 presents the rankings, by mean value, of individuals, communities, organisations, and groups who are stakeholders in urban development projects in South Africa. The mean value for all the stakeholders ranges between 3.1 and 4.5, which can be interpreted as all the stakeholders being (legitimate) urban development project stakeholders. From the (respondents) project-practitioners’ perspective, clients or customers are the most important urban development project stakeholders (with a 4.5 mean value), closely followed by government (with 4.5 mean value), and the financiers or sponsors, formal business, and communities – with 4.4, 4.2, and 4.2 mean values, respectively. The lowest-scoring urban development...
projects stakeholders are the media, political parties, and NGOs – with 3.1, 3.2, and 3.4 mean values, respectively. In urban development projects, usually the first three ranked stakeholders are the same stakeholder – the client and the sponsor is usually the government. The fourth-ranked stakeholder, formal business, can also be the client and sponsor – for example, in the Transnet multi-product pipeline project Transnet is the sponsor; however, because Transnet is a parastatal, it can also be viewed as part of government.

The overall ranking of stakeholder groups by projects practitioners is indicative of the prevalent attitude of stockholders having pre-eminence over external stakeholders, as was discussed in 4.3.

7.4.2 Issues about stakeholders to be addressed
Project managers’ propensity in addressing issues about stakeholders is determined by the projects’ view of stakeholders, particularly their instrumentality to the projects’ bottom-line. As discussed in 4.4.3, the normative view of stakeholder theory seeks to look beyond how external stakeholders relate to urban development projects and how urban development projects view the instrumental significance of external stakeholders to the urban development project’s scope bottom-line or project success, but rather to look at what the ethical basis for these views should be. It seeks to ask the question: “What are the ethical responsibilities” of an urban development project and the project manager towards the external stakeholders; and “How are these ethical responsibilities” addressed.

It seeks to ask a follow-up question: “Are these ethical responsibilities built into the fabric of the core project scope (Agle et al., 2008: 164), or are they treated separately and outside the core-technical processes of projects”.

The respondents were asked to rate their degree of agreement on the extent to which issues about stakeholders in a list provided should be addressed in urban development projects in South Africa, according to a five-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree). With listed issues about stakeholders that should be addressed being: stakeholders’
commitments to the project; stakeholders’ constraints about the project; stakeholders’ interests in the project; stakeholders’ needs in the project; stakeholders’ rights in the project; and/or any other issues in the respondents’ views. The respondents were further asked to select the most important and the least important issue about stakeholders that should be addressed.

Table 7.10 Stakeholder issues to be addressed ranking

<table>
<thead>
<tr>
<th>Stakeholder Issue Type</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments to the project</td>
<td>4.4529</td>
<td>2</td>
</tr>
<tr>
<td>Constraints about the project</td>
<td>4.4036</td>
<td>4</td>
</tr>
<tr>
<td>Interests in the project</td>
<td>4.4305</td>
<td>3</td>
</tr>
<tr>
<td>Needs in the project</td>
<td>4.4574</td>
<td>1</td>
</tr>
<tr>
<td>Rights in the project</td>
<td>4.2242</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>0.7758</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Researcher

Table 7.10 presents the rankings, by mean value, of issues about stakeholders that should be addressed in urban development projects in South Africa. The mean value for all issues on stakeholders that should be addressed ranges between 4.2 and 4.5. This may be interpreted as respondents considering all issues on stakeholders that should be addressed to be important in the management of urban development project stakeholders. The respondents ranked “stakeholder needs in the project”, with a mean value of 4.5, as the stakeholder issue that should be afforded the top priority; whereas “stakeholder rights in the project", with a mean value of 4.2, is ranked as the stakeholder issue to be addressed last from the list of five.

However, there is a marginal difference between the first-ranked “stakeholder needs in the project” and the second-ranked “stakeholder commitments to the project” – actually, they are both ranked equally first, as they share a mean value of 4.5. This statistic is consistent with the views expressed in 7.4.1, where “client or customer” ranked the highest in urban development project view of stakeholders, because projects are undertaken to fulfil the “needs of clients or customers” and because
projects are undertaken as a result of the “(financial) commitments of clients or customers”. The view of the respondents is that the stakeholder management normative aspect – equating the standing of (external) stakeholders to that of stockholders in projects – is not valid, as much as rights in the project are important, but needs in the project take precedence.

### Table 7.11 Most important and least important stakeholder issues

<table>
<thead>
<tr>
<th>Stakeholder Issue Type</th>
<th>Most Important</th>
<th>Least Important</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency (%)</td>
<td>Frequency (%)</td>
</tr>
<tr>
<td>Commitments to the project</td>
<td>98 44%</td>
<td>21 9%</td>
</tr>
<tr>
<td>Constraints about the project</td>
<td>21 9%</td>
<td>48 22%</td>
</tr>
<tr>
<td>Interests in the project</td>
<td>38 17%</td>
<td>38 17%</td>
</tr>
<tr>
<td>Needs in the project</td>
<td>43 19%</td>
<td>26 12%</td>
</tr>
<tr>
<td>Rights in the project</td>
<td>18 8%</td>
<td>76 34%</td>
</tr>
<tr>
<td>Other</td>
<td>5 2%</td>
<td>14 6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223 100.0%</strong></td>
<td><strong>223 100.0%</strong></td>
</tr>
</tbody>
</table>

Source: Researcher

Table 7.11 presents the choice of the most-important and least-important issues about stakeholders that should be addressed in urban development projects in South Africa. The most important issue about stakeholders that should be addressed is “stakeholder commitment to the project” (44 per cent); and “stakeholder needs in the project” (19 per cent) takes a distant second place. The least-important issue about stakeholders that should be addressed is “stakeholder rights in the project” (34 per cent); and “stakeholder constraints about the project” (22 per cent) takes second place. This statistic is consistent with the one discussed in Table 7.10 – both confirm stakeholder theorists’ arguments that business (and urban development projects) give credence to stockholders, but seldom recognise their ethical responsibilities towards the (external) stakeholders.
7.4.3 Decision making factors on stakeholder related problems

Project managers are often influenced by stakeholders’ position and/or influence in a project when making decisions on stakeholder related problems in a project. The attributes of stakeholders’ position and/or influence in a project are power, legitimacy, and urgency, as discussed in 4.5.2. Mitchell et al. (1997: 854) define stakeholder salience as the degree to which the project managers give priority to contending stakeholders’ interests, and this is more than just the identification of stakeholders (Mitchell et al., 2011: 235).

Mitchell et al. (1997: 869) define power as a relationship among stakeholders with contending interests, in which one stakeholder can influence or compel another stakeholder to do something that s/he would not have otherwise done. Mitchell et al. (1997: 869) define legitimacy as the assumption that the actions of an organisation, such as an urban development urgency, or government department, are necessary and informed by noble intents within the ambit of defined and accepted societial values and norms. Mitchell et al. (1997: 869) define urgency as the degree to which stakeholder claims call for immediate attention.

The respondents were asked to rate their degree of agreement on the extent to which factors in a list provided are important in decision making when there are stakeholder related problems in urban development projects in South Africa, according to a five-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree). With the listed factors in decision making when there are stakeholder related problems such as: stakeholders’ influence to the project success; the urgency of the stakeholders’ interest; legitimacy of the stakeholders’ interest; proximity of the stakeholders to the project; directives from higher authority or project sponsor; and/or any other in the respondents’ views.
Table 7.12 Stakeholder related problems decision making factors ranking

<table>
<thead>
<tr>
<th>Stakeholder Issue Factor</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders’ influence to the project success</td>
<td>4.3587</td>
<td>1</td>
</tr>
<tr>
<td>Urgency of the stakeholders’ interest</td>
<td>3.8296</td>
<td>4</td>
</tr>
<tr>
<td>Legitimacy of the stakeholders’ interest</td>
<td>4.0807</td>
<td>3</td>
</tr>
<tr>
<td>Proximity of the stakeholders to the project</td>
<td>3.7848</td>
<td>5</td>
</tr>
<tr>
<td>Directives from higher authority / project sponsor</td>
<td>4.2825</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>0.5381</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Researcher

Table 7.12 presents the rankings, by mean value, of the importance of decision-making factors in addressing stakeholder related problems in urban development projects in South Africa. The mean values of all decision making factors in addressing stakeholder related problems ranges between 3.8 and 4.4, which can be interpreted as respondents regarding all the decision making factors in addressing stakeholder related problems to be important in urban development projects. The respondents ranked “stakeholders’ influence to the project success”, with mean a value of 4.4, as the most important decision making factor in addressing stakeholder-related problems in urban development projects; whereas “proximity of the stakeholders to the project”, with a mean value of 3.8, is ranked the least-important decision making factor from the list of five.

The respondents ranked “directives from higher authority or project sponsor”, with a mean value of 4.3, as a close second-most important decision making factor in addressing stakeholder related problems in urban development projects. This statistics is also consistent with those discussed in Tables 7.9, 7.10, and 7.11 and stakeholder theory, where the instrumental and descriptive stakeholder views take precedence to the normative stakeholder view, in practice. The respondents considered “anything” that could impact the project scope’s bottom-line, or project success, to be more important than tampering with the socio-political, socio-economic, and/or socio-ecological stability of those stakeholders with limited or no power to affect project scope or project success.
They also considered stockholder rights to have pre-eminence over those of the (external) stakeholders, whose only link (or interest) in the project was being affected due to their “proximity to the project”. The statistic indicates that the project’s ethical responsibility towards all the stakeholders is afforded a secondary status.

### 7.4.4 Classification criteria of stakeholder behaviour

As discussed in 4.5.2, another well-documented approach to devising appropriate stakeholder management strategies is that of classifying stakeholders on the basis of their potential to be a threat or their potential to be cooperative with the project, as initially proposed by Freeman (1984: 43) and popularised by Savage et al. (1991: 64).

The respondents were asked to rate their degree of agreement with the classification criteria for stakeholder behaviour in urban development projects in South Africa, from the two options provided, according to a five-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree). With the two classification criteria for stakeholder behaviour being: potential to be cooperative; potential to be a threat; and/or any other in the respondents’ view.

<table>
<thead>
<tr>
<th>Stakeholder Behaviour Classification Criteria</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential to be cooperative</td>
<td>4.0538</td>
<td>1</td>
</tr>
<tr>
<td>Potential to be a threat</td>
<td>3.7040</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>0.4798</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 7.13 presents the rankings, by mean value, of the classification criteria for stakeholder behaviour in urban development projects in South Africa. The mean values of the two stakeholder behaviour classification criteria are 4.0 and 3.7 for stakeholder potential to be “cooperative” or “a threat”, respectively. This can be
interpreted as respondents regarding both stakeholder behaviour classification criteria as being endemic in urban development projects. However, the general view is optimistic, as it suggests that the stakeholders in urban development projects have a slightly higher propensity to be cooperative than to be a threat to the project success. This statistic attests to Freeman (1984: 43) and Savage et al. (1991: 64) theory that a project has inherent potentially cooperative and threatening stakeholders; and as a result, appropriate stakeholder management strategies should be put in place. A classification model, as discussed in 4.5.2, could be utilised to group stakeholders into four classes: supportive (high-cooperation potential & low-threat potential); marginal (low-cooperation potential & low-threat potential); non-supportive (low-cooperation potential & high-threat potential); and swing (high-cooperation potential & high-threat potential).

The resultant generic stakeholder management strategies for the four respective stakeholder classes being: involve; monitor; defend; and collaborate – respectively.

7.5 STAKEHOLDER MANAGEMENT CRITICAL SUCCESS FACTORS

The second secondary study objective is to quantitatively rank and prioritise the identified, contextualised, confirmed, and hypothesised 12 CSFs through univariate and bivariate statistical analysis. A theoretical model for stakeholder management in urban development projects in South Africa was developed in 6.6. It comprised the final list of 12 CSFs required for improving the management of stakeholders in urban development projects in South Africa. These 12 CSFs were then hypothesised as having a positive relationship with improved stakeholder management in urban development projects in South Africa; and they are as follows:

CSF-1 Stakeholder environment: understanding the stakeholders’ socio-political, socio-economic, and socio-ecological environment.

CSF-2 Stakeholder recognition: recognition of all the stakeholders as being legitimate and having rights – with their wellbeing, dignity, and culture being respected.
CSF-3 Stakeholder identification: identifying all stakeholders, and ensuring that all are listed and known.

CSF-4 Stakeholder profiling: profiling stakeholders to understand all their relevant aspects and characteristics pertaining to the project.

CSF-5 Stakeholder classification: classification of stakeholders by power, legitimacy, urgency, threat potential, and/or cooperation potential.

CSF-6 Stakeholder interest: interests or requirements of all the stakeholders being gathered, known, and incorporated into the project/product scope or mitigated.

CSF-7 Stakeholder communication: consultation and continuous up-to-date communication with all the stakeholders.

CSF-8 Stakeholder participation: encouraging early participation of the stakeholders in consultative processes.

CSF-9 Stakeholder education: explaining and simplifying the project implications and potential impact on the stakeholders’ sophistication levels.

CSF-10 Stakeholder risk: identification, analysis, monitoring, control, and mitigation of stakeholder related risks.

CSF-11 Stakeholder relations: open and frank stakeholder relations established on mutual trust and respect.

CSF-12 Stakeholder strategy: formulating and executing appropriate stakeholder management strategies for all the stakeholder groups.

The respondents were asked to rate their degree of agreement on the criticality of each of the 12 stakeholder management CSFs in urban development projects in South Africa, according to a five-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree).
7.5.1 CSFs rankings parametric analysis

Parametric statistical analysis, using the mean values as a parameter of analysis, was performed on the CSFs data, in order to determine the overall CSFs rankings and also rankings by various strata within the demographic groups. Parametric statistical analysis uses the characteristics or parameters, for example, the mean scores, of the data, or estimates of them, when assumptions are also made about the populations (or their opinions on subject matter) being studied (Hinton et al., 2004: 372).

<table>
<thead>
<tr>
<th>Critical success factors ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Value</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Stakeholder Environment</td>
</tr>
<tr>
<td>Stakeholder Recognition</td>
</tr>
<tr>
<td>Stakeholder Identification</td>
</tr>
<tr>
<td>Stakeholder Profiling</td>
</tr>
<tr>
<td>Stakeholder Classification</td>
</tr>
<tr>
<td>Stakeholder Interest</td>
</tr>
<tr>
<td>Stakeholder Communication</td>
</tr>
<tr>
<td>Stakeholder Participation</td>
</tr>
<tr>
<td>Stakeholder Education</td>
</tr>
<tr>
<td>Stakeholder Risk</td>
</tr>
<tr>
<td>Stakeholder Relations</td>
</tr>
<tr>
<td>Stakeholder Strategy</td>
</tr>
</tbody>
</table>

Table 7.14 presents the rankings, by mean value, of the criticality of each of the 12 stakeholder management CSFs in urban development projects in South Africa. The mean values of all 12 stakeholder management CSFs range between 4.1 and 4.5, which can be interpreted as respondents regarding all 12 stakeholder management CSFs to be critical in urban development projects. Respondents ranked “stakeholder communication”, with a mean value of 4.5, as the most critical stakeholder
management CSF; whereas “stakeholder classification”, with a mean value of 4.1, is ranked the least-critical stakeholder management CSF from the list of 12.

The respondents ranked “stakeholder participation”, with a mean value of 4.5, and “stakeholder identification”, with a mean value of 4.5, a close marginal second and third critical stakeholder management CSFs, respectively. “Stakeholder relations”, “stakeholder education”, and “stakeholder risk” occupy ranks 4, 5, and 6, respectively, with (marginally) joint 4.4 mean values. “Stakeholder recognition” and “stakeholder interest” are ranked just above “stakeholder classification” in 10th and 11th positions, respectively, with (marginally) joint 4.2 mean values.

This statistic is consistent with the findings of limited qualitative studies discussed in 6.6.3.2, 6.6.7.2, 6.6.8.2, 6.6.9.2, and 6.6.11.2. There was an overwhelming view by stakeholders interviewed that “stakeholder communication”, “stakeholder participation”, “stakeholder identification”, “stakeholder relations”, and “stakeholder education” are critical in stakeholder management, and that the demise of (some) urban development projects in South Africa could be attributed to the neglect of these CSFs.

Communication with meaningful consultation that encourages the participation of stakeholders early in an urban development project, concerted effort into the identification of all urban development projects stakeholders, and fostering relations (with urban development projects stakeholders) established on mutual trust are viewed as influential and critical factors in the management of stakeholders in urban development projects in South Africa.

Further analysis of the 12 CSFs rankings by respondent demographics yielded mean values of all 12 stakeholder management CSFs ranging between 3.4 and 5.0, which can be interpreted as respondents being within all the demographic groups regarding all 12 stakeholder management CSFs to be critical in urban development projects. The following tables represent CSFs rankings by respondents’ demographic groups.
Table 7.15 presents the mean value rankings, by projects position, of the criticality of each of the 12 stakeholder management CSFs in urban development projects in South Africa. The mean values by projects position of all 12 stakeholder management CSFs range between 3.2 and 4.9, which can be interpreted as all the respondents – by project’s position – regard all 12 stakeholder management CSFs to be critical in urban development projects. With the exception of the “RPS4 – programme manager” and “RPS5 – portfolio manager” position groups, the other projects’ position groups were consistent with the overall ranking of “stakeholder communication” as the top-ranked CSFs. Similarities and differences in rankings of the 12 CSFs by various strata within the demographics groups are analysed in more detail, statistically, in 7.5.2.

<table>
<thead>
<tr>
<th>OVERALL</th>
<th>RPS1</th>
<th>RPS2</th>
<th>RPS3</th>
<th>RPS4</th>
<th>RPS5</th>
<th>RPS6</th>
<th>RPS7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
</tr>
<tr>
<td>CSF1</td>
<td>4.332</td>
<td>8</td>
<td>4.320</td>
<td>8</td>
<td>4.462</td>
<td>4</td>
<td>4.000</td>
</tr>
<tr>
<td>CSF5</td>
<td>4.094</td>
<td>12</td>
<td>4.061</td>
<td>12</td>
<td>4.385</td>
<td>7</td>
<td>4.000</td>
</tr>
<tr>
<td>CSF7</td>
<td>4.547</td>
<td>1</td>
<td>4.537</td>
<td>1</td>
<td>4.769</td>
<td>1</td>
<td>4.750</td>
</tr>
<tr>
<td>CSF11</td>
<td>4.413</td>
<td>4</td>
<td>4.408</td>
<td>5</td>
<td>4.538</td>
<td>3</td>
<td>4.750</td>
</tr>
<tr>
<td>CSF12</td>
<td>4.345</td>
<td>7</td>
<td>4.367</td>
<td>6</td>
<td>4.385</td>
<td>7</td>
<td>4.250</td>
</tr>
</tbody>
</table>

Source: Researcher
Table 7.16 CSFs ranking by experience demographic group strata

<table>
<thead>
<tr>
<th>OVERALL</th>
<th>REX1</th>
<th>REX2</th>
<th>REX3</th>
<th>REX4</th>
<th>REX5</th>
<th>REX6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
</tr>
<tr>
<td>CSF1</td>
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<td>8</td>
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<td>6</td>
</tr>
<tr>
<td>CSF2</td>
<td>4.229</td>
<td>10</td>
<td>4.000</td>
<td>5</td>
<td>4.026</td>
<td>12</td>
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<tr>
<td>CSF3</td>
<td>4.462</td>
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<tr>
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<td>9</td>
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<td>1</td>
</tr>
<tr>
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<td>6</td>
<td>3.875</td>
<td>9</td>
<td>4.359</td>
<td>5</td>
</tr>
<tr>
<td>CSF11</td>
<td>4.413</td>
<td>4</td>
<td>3.750</td>
<td>12</td>
<td>4.205</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Researcher

Table 7.16 presents the mean value rankings, by projects experience (in years), of the criticality of each of the 12 stakeholder-management CSFs in urban development projects in South Africa. The mean values by projects’ position of all 12 stakeholder-management CSFs range between 3.7 and 4.7, which can be interpreted as all the respondents, by projects’ experience, regard all 12 stakeholder management CSFs to be critical in urban development projects. “Stakeholder communication” as ranked top of the CSFs list by projects’ experience groups “REX2 – 2 – 4 years”, “REX3 – 5 – 9 years”, and “REX4 – 10 – 19 years”. 
Projects experience groups “REX5 – 20 – 29 years” and “REX6 – Over 30 years” have ranked “stakeholder communication” second, with both groups ranking “stakeholder identification”, marginally, as the top CSFs. The ranking of the 12 CSFs by the five projects’ experience groups is consistent with the overall rankings. The exception is the “REX1 – 0 – 1 years” projects’ experience groups, which ranked “stakeholder communication” and “stakeholder identification” a joint ninth priority in the CSFs list.

The deviation by the “REX1 – 0 – 1 years” projects’ experience group from the other more experienced groups, at face value, could be attributed to limited experience and exposure to projects in general and stakeholder management in particular. However, similarities and differences in rankings of the 12 CSFs by various strata within the demographics groups are analysed in more detail, statistically, in 7.5.2.
Table 7.17 presents the mean value rankings, by projects qualification, of the criticality of each of the 12 stakeholder management CSFs in urban development projects in South Africa. The mean values by projects’ qualification of all 12 stakeholder management CSFs range between 3.7 and 5.0, which can be interpreted as all respondents by projects’ qualification regard all 12 stakeholder-management CSFs to be critical in urban development projects.
With the exception of the “RPQ3 – PM degree” and “RPQ5 – PM Master’s degree” projects’ qualification groups, which ranked “stakeholder communication” third and sixth, respectively, the other projects qualification groups were consistent with the overall ranking of “stakeholder communication” as the top-ranked CSFs. Similarities and differences in rankings of the 12 CSFs by various strata within demographics groups are analysed in more detail, statistically, in 7.5.2.

Table 7.18: CSFs ranking by other qualification demographic group strata

<table>
<thead>
<tr>
<th>CSF</th>
<th>OVERALL</th>
<th>ROQ1</th>
<th>ROQ2</th>
<th>ROQ3</th>
<th>ROQ4</th>
<th>ROQ5</th>
<th>ROQ6</th>
<th>ROQ7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
<td>Rank</td>
<td>Mean</td>
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<td>CSF1</td>
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<td>4.000</td>
<td>11</td>
<td>4.343</td>
<td>7</td>
<td>4.167</td>
<td>9</td>
</tr>
<tr>
<td>CSF7</td>
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<td>4.586</td>
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<td>4.530</td>
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</tr>
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<td>4.444</td>
<td>1</td>
<td>4.371</td>
<td>4</td>
<td>4.364</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Researcher
Table 7.18 presents the mean value rankings, by non-projects’ qualification, of the criticality of each of the 12 stakeholder-management CSFs in urban development projects in South Africa. The mean values by non-projects’ qualification of all 12 stakeholder management CSFs range between 3.6 and 5.0, which can be interpreted as all respondents by non-projects’ qualification regard all 12 stakeholder management CSFs to be critical in urban development projects. With the exception of the “ROQ4 – honours degree”, “ROQ6 – doctoral degree”, and “RPQ7 – other” non-projects’ qualification groups, which ranked “stakeholder communication” second, second, and eighth, respectively, the other non-projects’ qualification groups were consistent with the overall ranking of “stakeholder communication” as the top-ranked CSFs. Similarities and differences in rankings of the 12 CSFs by various strata within demographics groups are analysed in more detail, statistically, in 7.5.2.
Table 7.19 presents the mean value rankings, by projects certification, of the criticality of each of the 12 stakeholder management CSFs in urban development projects in South Africa. The mean values by projects’ certification of all 12 stakeholder management CSFs range between 3.4 and 5.0, which can be interpreted as all respondents by projects’ certification regard all 12 stakeholder-management CSFs to be critical in urban development projects. Projects certification groups “RCE2 – API”, “RCE3 – CSP / CSM”, and “RCE4 – PMP / PgMP” ranked “stakeholder communication” first. Projects certification groups “RCE5 – PRINCE2”, “RCE6 – PrCM”, “RCE8 – C-CPM”, and “RCE9 – other” ranked “stakeholder communication” second.
Projects’ certification groups “RCE1 – none” and “RCE7 – PrCPM” ranked “stakeholder communication” third and fourth, respectively. However, it must be stated that the projects’ certification group “RCE2 – API” has only one respondent who gave all CSFs a ranking of “5 – strongly agree”. Similarities and differences in rankings of the 12 CSFs by various strata within demographics groups are analysed in more detail, statistically, in 7.5.2.

<table>
<thead>
<tr>
<th>OVERALL</th>
<th>RME1</th>
<th>RME2</th>
<th>RME3</th>
<th>RME4</th>
<th>RME5</th>
<th>RME6</th>
<th>RME7</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSF1</td>
<td>4.332</td>
<td>8</td>
<td>4.250</td>
<td>9</td>
<td>4.040</td>
<td>9</td>
<td>5.000</td>
</tr>
<tr>
<td>CSF2</td>
<td>4.229</td>
<td>10</td>
<td>4.250</td>
<td>9</td>
<td>4.040</td>
<td>9</td>
<td>5.000</td>
</tr>
<tr>
<td>CSF3</td>
<td>4.462</td>
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<td>4.440</td>
<td>1</td>
<td>4.500</td>
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<tr>
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<td>4.375</td>
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<td>8</td>
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<tr>
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<td>3.917</td>
<td>12</td>
<td>3.960</td>
<td>12</td>
<td>4.500</td>
</tr>
<tr>
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<td>11</td>
<td>4.250</td>
<td>9</td>
<td>4.000</td>
<td>11</td>
<td>5.000</td>
</tr>
<tr>
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<td>4.667</td>
<td>1</td>
<td>4.400</td>
<td>3</td>
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</tr>
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<td>5.000</td>
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<td>4.542</td>
<td>2</td>
<td>4.240</td>
<td>7</td>
<td>4.500</td>
</tr>
<tr>
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<td>4.400</td>
<td>3</td>
<td>5.000</td>
</tr>
<tr>
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<td>4.375</td>
<td>6</td>
<td>4.280</td>
<td>6</td>
<td>5.000</td>
</tr>
</tbody>
</table>

Source: Researcher
Table 7.20 presents the mean value rankings, by projects membership, of the criticality of each of the 12 stakeholder management CSFs in urban development projects in South Africa. The mean values by projects membership of all 12 stakeholder management CSFs range between 3.5 and 5.0, which can be interpreted as all respondents by projects’ membership regard all 12 stakeholder management CSFs to be critical in urban development projects. With the exception of projects’ membership groups “RME2 – ACPM”, “RME4 – PMSA”, and “RME5 – PMI / PMI-SA” who ranked “stakeholder communication” third, fourth, and second, respectively, the other projects membership groups were consistent with the overall ranking of “stakeholder communication” as the top-ranked CSFs. Similarities and differences in rankings of the 12 CSFs by various strata within demographics groups are analysed in more detail, statistically, in 7.5.2.
Table 7.21 presents the mean value rankings, by projects’ type, of the criticality of each of the 12 stakeholder management CSFs in urban development projects in South Africa. The mean values by projects’ type of all 12 stakeholder management CSFs range between 3.8 and 4.70, which can be interpreted as all respondents by projects’ type regard all 12 stakeholder management CSFs to be critical in urban development projects. Projects’ type groups “RPT1 – building”, “RPT2 – civil”, and “RPT5 – management consulting” ranked “stakeholder communication” first. Projects’ type groups “RPT3 – industrial”, “RPT4 – I.T.”, and “RPT6 – urban
development” ranked “stakeholder communication” second. Projects’ type group “RPT7 – other” ranked “stakeholder communication” fourth.

Similarities and differences in rankings of the 12 CSFs by various strata within demographics groups are analysed in more detail, statistically, in 7.5.2.
7.5.2 CSFs rankings nonparametric analysis

A significant number of CSFs rankings by various strata within the demographic groups are consistent with the overall respondents' rankings as presented in Table 7.14. However, the number of cases where rankings by various strata within demographic groups are not consistent with the overall respondents' rankings is also conspicuous, this being based on the parametric analysis performed in 7.5.1. This raises some questions on whether there is adequate consensus on the overall rankings of CSFs by the respondents. As a result, it is necessary to perform some nonparametric statistical analysis on the CSFs rankings, in order to determine similarities among various strata within demographic groups, and also possible true differences.

Nonparametric or "distribution-free" statistical analyses are usually considered and performed when the researcher or statistician has concerns about (mostly) ordinal data, where the scores provide an order, but the researcher or statistician refrains from making numerous or stringent assumptions about the characteristics or parameters of the respondents (Hinton, Brownlow, McMurray & Cozens, 2004: 98 & 371; Hughes, 2012: 59; Sprent & Smeeton, 2001: 3-5; Wasserman, 2006: 1).

Most nonparametric tests use as their data the ranks of the observations (Hughes, 2012: 61). Whereas parametric statistical analyses use the characteristics or parameters, for example, mean scores or t-test, as was the case in 7.5.1, of data or estimates of them when assumptions are also made about the population (or their opinions on subject matter) being studied (Hinton et al., 2004: 372; Hughes, 2012: 59).

The CSFs data, the ranking of their importance or criticality by respondents, can be considered as ordinal data, as discussed in 5.3.11. Therefore, the CSFs data are appropriate for subjection to nonparametric statistical analyses. The reason for performing nonparametric tests on CSFs' data is to determine similarities and/or differences by various strata within demographic groups without making stringent assumptions about the CSFs' data parameters. Table 7.14 presents the mean scores in this case, and the slight deviations in strata within the demographic groups as represented in Tables 7.15 to 7.21. Therefore, the subjection of CSFs' data to
nonparametric statistical analyses in this study is for a justifiable purpose. Also, there is no alternative to using a nonparametric statistical analysis, unless the nature of the population (respondents) distribution is known exactly (Wasserman, 2006: 1).

Three nonparametric tests were employed in this study: Kendall’s coefficient of concordance, Spearman’s rank correlation, and the Mann-Whitney test. Kendall’s coefficient of concordance ($W$) test provides an indication of the degree of agreement among the rankers (respondents) of ranked CSFs data, the coefficients range from 0 to 1, with 1 being complete agreement and 0 being no agreement (Hinton et al., 2004: 269; Yang, 2010: 93).

Spearman’s rank correlation ($r_s$) uses exactly the same calculations as the Pearson correlation, but performs the analysis on the ranks of the scores instead of on the actual data values (Hinton et al., 2004: 300). It provides an indication of the degree of correlation, by rank, among the various strata CSFs rankings within demographic groups and between CSFs and demographic groups. The Mann-Whitney test ($U$) provides an indication of the (true) differences between strata within demographic groups (Hinton et al., 2004: 125).

However, in this study, the statistic of interest is the probability value ($p$ or asymp. sig. 2-tailed in SPSS), where a figure of less than 0.05 (that is, $p < 0.05$) is considered to be indicative of significant differences in CSFs rankings among various strata within the demographic groups (Hinton et al., 2004: 129).

### 7.5.2.1 CSFs rankings order analysis by respondents

A Kendall’s coefficient of concordance ($W$) for CSFs rankings by respondents in this study is 0.115; and it is significant at the 0.01 level. This statistic provides an indication that the ranking of the 12 CSFs by the 223 respondents was in dissimilar order.
7.5.2.2 CSFs rankings similarities analysis among strata within demographic groups

Spearman’s rank-correlation coefficients ($r_s$) were calculated to determine the degree of correlation, by rank and not by mean value, of CSFs rankings among the various strata within demographic groups. This was, in essence, to respond to the question of whether there is a general consensus on the rankings of the CSFs among different strata within demographic groups. The Spearman’s rank correlation, like other statistical measures of correlation (Pearson and Kendall tau-b), produces a statistic that ranges from -1, 0, to +1, indicating a perfect negative correlation, no correlation at all, or a perfect positive correlation, respectively (Hinton et al., 2004: 297).
Table 7.22 Spearman’s rank correlation coefficients for demographic groups strata

<table>
<thead>
<tr>
<th>Position</th>
<th>Experience</th>
<th>PM Qualification</th>
<th>Other Qualification</th>
<th>Certification</th>
<th>Membership</th>
<th>Project Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPS1/RPS2</td>
<td>REX1/REX2</td>
<td>RPQ1/RPQ2</td>
<td>ROQ1/ROQ2</td>
<td>RCE1/RCE2</td>
<td>0.548</td>
<td>0.578*</td>
</tr>
<tr>
<td>RPS1/RPS3</td>
<td>REX1/REX3</td>
<td>RPQ1/RPQ3</td>
<td>ROQ1/ROQ3</td>
<td>RCE1/RCE3</td>
<td>0.794**</td>
<td>0.775**</td>
</tr>
<tr>
<td>RPS1/RPS4</td>
<td>REX1/REX4</td>
<td>RPQ1/RPQ4</td>
<td>ROQ1/ROQ4</td>
<td>RCE1/RCE4</td>
<td>0.271</td>
<td>0.000</td>
</tr>
<tr>
<td>RPS1/RPS5</td>
<td>REX1/REX5</td>
<td>RPQ1/RPQ5</td>
<td>ROQ1/ROQ5</td>
<td>RCE1/RCE5</td>
<td>0.323</td>
<td>0.563</td>
</tr>
<tr>
<td>RPS1/RPS6</td>
<td>REX1/REX6</td>
<td>RPQ1/RPQ6</td>
<td>ROQ1/ROQ6</td>
<td>RCE1/RCE6</td>
<td>0.560</td>
<td>0.476</td>
</tr>
<tr>
<td>RPS1/RPS7</td>
<td>REX2/REX3</td>
<td>RPQ2/RPQ3</td>
<td>ROQ1/ROQ7</td>
<td>RCE1/RCE7</td>
<td>0.725**</td>
<td>0.572**</td>
</tr>
<tr>
<td>RPS2/RPS3</td>
<td>REX2/REX4</td>
<td>RPQ2/RPQ4</td>
<td>ROQ2/ROQ3</td>
<td>RCE1/RCE8</td>
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<td>0.378</td>
</tr>
<tr>
<td>RPS2/RPS4</td>
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<td>RPQ2/RPQ5</td>
<td>ROQ2/ROQ4</td>
<td>RCE1/RCE9</td>
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</tr>
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<td>REX2/REX6</td>
<td>RPQ2/RPQ6</td>
<td>ROQ2/ROQ5</td>
<td>RCE2/RCE3</td>
<td>0.378</td>
<td>0.389**</td>
</tr>
<tr>
<td>RPS2/RPS6</td>
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<td>RPQ3/RPQ7</td>
<td>ROQ2/ROQ6</td>
<td>RCE2/RCE4</td>
<td>0.476</td>
<td>0.340</td>
</tr>
<tr>
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<td>RPQ3/RPQ8</td>
<td>ROQ3/ROQ7</td>
<td>RCE2/RCE5</td>
<td>0.183</td>
<td>0.376</td>
</tr>
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<td>REX4/REX5</td>
<td>RPQ3/RPQ9</td>
<td>ROQ3/ROQ8</td>
<td>RCE2/RCE6</td>
<td>0.441</td>
<td>0.725**</td>
</tr>
<tr>
<td>RPS3/RPS6</td>
<td>REX4/REX6</td>
<td>RPQ4/RPQ10</td>
<td>ROQ3/ROQ9</td>
<td>RCE2/RCE7</td>
<td>0.715**</td>
<td>0.440</td>
</tr>
<tr>
<td>RPS3/RPS7</td>
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<td>RPQ5/RPQ11</td>
<td>ROQ4/ROQ10</td>
<td>RCE2/RCE8</td>
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<td>RPQ6/RPQ12</td>
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<td>RCE3/RCE9</td>
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<td>0.279</td>
</tr>
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<td>RPQ7/RPQ13</td>
<td>ROQ6/ROQ12</td>
<td>RCE3/RCE10</td>
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<td>0.572**</td>
</tr>
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<td>REX7/REX7</td>
<td>RPQ8/RPQ14</td>
<td>ROQ7/ROQ13</td>
<td>RCE3/RCE11</td>
<td>0.000</td>
<td>0.721**</td>
</tr>
<tr>
<td>RPS5/RPS7</td>
<td>REX8/REX7</td>
<td>RPQ9/RPQ15</td>
<td>ROQ8/ROQ14</td>
<td>RCE3/RCE12</td>
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</tr>
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<td>ROQ9/ROQ15</td>
<td>RCE3/RCE13</td>
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<td>RPQ11/RPQ17</td>
<td>ROQ10/ROQ16</td>
<td>RCE3/RCE14</td>
<td>0.578*</td>
<td>0.803**</td>
</tr>
</tbody>
</table>

Stakeholder management for urban development projects in South Africa
Table 7.2 presents the Spearman’s rank-correlation coefficients ($r_s$) of CSFs rankings among the various strata within the seven demographic groups.

At a glance, the most odd are those involving “REX1 – 0 – 1 years” respondent experience, exhibiting negatively correlated pairs, and “RCE2 – API” respondent certification, exhibiting uncorrelated pairs. The data anomaly associated with these groups has already been discussed in 7.5.1. With the exception of the pairs involving the two strata stated above, a significant number of pairs exhibit strong correlation, which translates to similarity among strata within the 7 demographic groups in the manner they have ranked the 12 CSFs.
7.5.2.3 CSFs rankings similarities analysis between CSFs and demographic groups

Spearman’s rank-correlation coefficients ($r_s$) were also calculated to determine the degree of correlation between the 12 CSFs and the seven demographic groups. These are: position, experience, PM qualification, other qualification, certification, membership, and project type. To be able to determine the correlations between CSFs and demographic groups, values were allocated to strata within the demographic groups, as presented in Table 7.23.

<table>
<thead>
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<th>Position</th>
<th>Experience</th>
<th>PM Qualification</th>
<th>Other Qualification</th>
<th>Certification</th>
<th>Membership</th>
<th>Project Type</th>
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<td>ROQ2</td>
<td>2</td>
<td>RCE2</td>
</tr>
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<td>RPQ3</td>
<td>ROQ3</td>
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<td>RCE3</td>
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<td>ROQ4</td>
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<tr>
<td>RPT7</td>
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Source: Researcher
This was, in essence, to respond to the question of whether there is any correlation between the score values of the 12 CSFs and the seven demographic groups.

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<tr>
<th>Position</th>
<th>Experience</th>
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<th>Other Qualification</th>
<th>Certification</th>
<th>Membership</th>
<th>Project Type</th>
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<td>0.002</td>
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<td>0.000</td>
</tr>
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<td>0.000</td>
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<td>-0.157*</td>
<td>0.025</td>
</tr>
</tbody>
</table>

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

Source: Researcher
Table 7.24 presents the Spearman’s rank-correlation coefficients ($r_s$) between the 12 CSFs and the seven demographic groups. There are correlations between the 12 CSFs and the seven demographic groups, as there are no zero correlations.

Most of the correlations are negative for the “experience”, “pm qualification”, “certification”, and “membership” demographic groups. Even in demographic groups where most of the correlations are positive: “position”, “other qualification”, and “project type”; they are nevertheless weak.

According to D'Andrade and Dart (1990: 47), despite its wide use, it is often said that the correlation coefficient $r$ (and by association $r_s$) is not a good measure of strength of association because it has no direct interpretation; and the coefficient of determination $r^2$ (and by association $r_s^2$) is a more meaningful measure because it yields an estimate of the amount of variance accounted for. The coefficients of determination, $r_s^2$, in this study were analysed for that very reason. For example, $r_s^2$, which is the percentage of variance accounted for in the rank correlation between “CSF1” and “position” in Table 7.24, is 0.2 per cent (0.002 x 100). Table 7.24 exhibits that, notwithstanding the weak $r_s$ between the CSFs and demographic groups, the coefficient of determination statistic, $r_s^2$, does not help the cause either. The highest $r_s^2$ is the percentage of variance accounted for in the correlation between “CSF1” and “project type” at 18.5 per cent; and it does not even threaten the threshold of 34.0 per cent recommended by Pallant (2001: 127) and Yang (2010: 97).

The second highest $r_s^2$ is the percentage of variance accounted for in the correlation between “CSF12” and “pm qualification” at 2.5 per cent. This further provides an indication that this statistic (coefficient of determination $r_s^2$) also attests to weak rank correlations between the 12 CSFs and the seven demographic groups.
7.5.2.4 CSFs rankings true differences analysis among strata within demographic groups across CSFs

The overall mean scores of all 12 stakeholder management CSFs provide an indication that, overall, the respondents regard all CSFs to be critical in urban development projects. The overall mean scores range between 4.1 and 4.5. Also the t-test analysis indicated that, according to the respondents, all 12 stakeholder-management CSFs have a huge influence on stakeholder management success in urban development projects in South Africa. However, the number of cases where rankings by various strata within the demographic groups is not consistent with the overall respondents’ rankings is conspicuous; and this raised some questions on whether there is adequate consensus on the overall rankings of CSFs by the respondents.

This necessitated a further analysis of the similarities between respondents’ rankings of CSFs employing nonparametric statistical methods – because, unlike the parametric statistical methods, they analyse data based on data ranks, as opposed to data characteristics or parameters. A Kendall’s coefficient of concordance (W) analysis indicated that the ranking of the 12 CSFs by the 223 respondents was not in a similar order. However, it also indicated that there was an agreement, albeit general, among the 223 respondents on the rankings of the 12 CSFs; that is, the 223 respondents shared similar views on the relative importance of the 12 CSFs.

A Spearman’s rank-correlation coefficient ($r_s$) analysis indicated that by and large there were similarities among the strata within the 7 demographic groups in the manner they have ranked the 12 CSFs. However, a subsequent Spearman’s rank-correlation coefficient ($r_s$) analysis indicated that the correlations between the 12 CSFs and the seven demographic groups were weak. This was also confirmed by the low coefficients of determination $r_s^2$ between the 12 CSFs and the seven demographic groups. In the light of this inconsistency by rank-similarity-measuring statistics, it would be important to determine the true differences in perceptions on the relative importance of CSFs among strata within demographic groups across CSFs.
With Tables 7.25 to 7.31, the Mann-Whitney analysis is employed to determine the true differences in perceptions on the relative importance of CSFs by pair-wise comparisons (Yang, 2012: 98). However, in this study, the statistic of interest is the probability value (p or asymp. sig. 2-tailed in SPSS), where a figure of less than 0.05 (that is, p < 0.05) is considered to be indicative of significant differences in CSFs rankings among various strata within the demographic groups (Hinton et al., 2004: 129).
Table 7.25 Probability values in Mann-Whitney test on the CSFs for position demographic group

<table>
<thead>
<tr>
<th></th>
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<td>0.630</td>
<td>0.880</td>
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<td>0.200</td>
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</tr>
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<td>0.580</td>
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<td>0.220</td>
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<td>0.220</td>
<td>0.110</td>
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<td>0.300</td>
<td>0.880</td>
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</table>

* Probability value is significant at the 0.05 level (2-tailed)

Source: Researcher

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Table 7.25 presents the probability values (p) in the Mann-Whitney analysis on 12 CSFs rankings by the position of the demographic group. The “no of diff” column indicate the number of true differences between pairs of strata within the position in the demographic group across the 12 CSFs. The “no. of diff” row indicates the number of true differences between pairs of strata within the position in the demographic group within individual CSFs. There are no true differences among the position in the demographic group strata as all probability values (p) >= 0.05. This implies that there is 100 per cent consensus on the relative importance of the 12 CSFs among strata within the position in the demographic group.
Table 7.26 Probability values in Mann-Whitney test on the CSFs for experience demographic group

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<td>0.650</td>
<td>0.520</td>
<td>0.870</td>
<td>0.200</td>
<td>0.840</td>
<td>0.150</td>
<td>0.830</td>
<td>0.520</td>
<td>0.610</td>
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<td>0.050</td>
<td>0.330</td>
<td>0.280</td>
<td>0.580</td>
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<td>0.860</td>
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<td>0.870</td>
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<td>0.790</td>
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<td>0.390</td>
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<td>0.560</td>
<td>0.490</td>
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<td>0.220</td>
<td>0.290</td>
<td>0.460</td>
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<tr>
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<td>0.750</td>
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<td>0.260</td>
<td>0.650</td>
<td>0.510</td>
<td>0.760</td>
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<td>0.800</td>
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<td>0.990</td>
<td>0.160</td>
<td>0.030*</td>
<td>0.040*</td>
<td>0.080</td>
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<td>0.530</td>
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<td>0.460</td>
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<td>0.030*</td>
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* Probability value is significant at the 0.05 level (2-tailed)

Source: Researcher

Table 7.26 presents the probability values (p) in Mann-Whitney analysis on 12 CSFs rankings by the experience demographic group. The “no. of diff” column indicates the number of true differences between pairs of strata within the experience demographic group across the 12 CSFs. The “no. of diff” row indicates the number of true differences between pairs of strata within the experience demographic group within individual CSFs.
The number of true differences among the experience demographic group strata is negligible: (2.8 per cent) five out of 180 probability values (p) < 0.05, which implies that there is consensus on the relative importance of the 12 CSFs among strata within the experience demographic group.
Table 7.27 Probability values in Mann-Whitney test on the CSFs for PM qualification demographic group

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</table>

* Probability value is significant at the 0.05 level (2-tailed)

Source: Researcher
Table 7.27 presents the probability values (p) in Mann-Whitney analysis on 12 CSFs rankings by the PM qualification demographic group. The “no. of diff” column indicates the number of true differences between pairs of strata within the PM qualification demographic group across the 12 CSFs. The “no. of diff” row indicates the number of true differences between pairs of strata within the PM qualification demographic group within individual CSFs. The number of true differences among the PM qualification demographic group strata is negligible: (2.0 per cent) five out of 252 probability values (p) < 0.05, which implies that there is consensus on the relative importance of the 12 CSFs among strata within the PM qualification demographic group.
Table 7.28 Probability values in Mann-Whitney test on the CSFs for other qualification demographic group

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<td>0.750</td>
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<td>0.960</td>
<td>0.700</td>
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<td>0.560</td>
<td>0.720</td>
<td>0.820</td>
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<td>0.990</td>
<td>0.320</td>
<td>0.850</td>
<td>0.600</td>
<td>0.970</td>
<td>0.910</td>
<td>0.710</td>
<td>0.750</td>
<td>0.900</td>
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<td>ROQ1/ROQ5</td>
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<td>0.300</td>
<td>0.740</td>
<td>0.320</td>
<td>0.830</td>
<td>0.720</td>
<td>0.940</td>
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<td>0.470</td>
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</tr>
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<td>ROQ1/ROQ6</td>
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<td>0.930</td>
<td>0.850</td>
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<td>0.930</td>
<td>0.410</td>
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<tr>
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<td>0.140</td>
<td>0.600</td>
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* Probability value is significant at the 0.05 level (2-tailed)

Source: Researcher
Table 7.28 presents the probability values (p) in Mann-Whitney analysis on 12 CSFs rankings by the other qualification demographic group. The “no. of diff” column indicates the number of true differences between the pairs of strata within the other qualification demographic group across the 12 CSFs. The “no. of diff” row indicates the number of true differences between the pairs of strata within the other qualification demographic group within individual CSFs. There are no true differences among the other qualification demographic group strata, as all probability values (p) >= 0.05, which implies that there is 100 per cent consensus on the relative importance of the 12 CSFs among strata within the other qualification demographic group.

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<th>CSF2</th>
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<th>CSF4</th>
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Table 7.29 presents the probability values (p) in Mann-Whitney analysis on 12 CSFs rankings by the certification demographic group. The “no. of diff” column indicates the number of true differences between pairs of strata within the certification demographic group across the 12 CSFs. The “no. of diff” row indicates the number of true differences between the pairs of strata within the certification demographic group within individual CSFs. The number of true differences among the certification demographic group strata is negligible, (3.5 per cent) 15 out of 432 probability values (p) < 0.05, which implies that there is consensus on the relative importance of the 12 CSFs among strata within the certification demographic group.

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* Probability value is significant at the 0.05 level (2-tailed)

Source: Researcher
Table 7.30 Probability values in Mann-Whitney test on the CSFs for membership demographic group

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<td>0.270</td>
<td>0.990</td>
<td>0.540</td>
<td>0</td>
</tr>
<tr>
<td>RME2/RME7</td>
<td>0.800</td>
<td>0.320</td>
<td>0.150</td>
<td>0.100</td>
<td>0.450</td>
<td>0.860</td>
<td>0.820</td>
<td>0.980</td>
<td>0.150</td>
<td>0.550</td>
<td>0.320</td>
<td>0.190</td>
<td>0</td>
</tr>
<tr>
<td>RME3/RME4</td>
<td>0.150</td>
<td>0.150</td>
<td>0.890</td>
<td>0.290</td>
<td>0.600</td>
<td>0.150</td>
<td>0.210</td>
<td>0.670</td>
<td>0.180</td>
<td>0.000*</td>
<td>0.390</td>
<td>0.180</td>
<td>1</td>
</tr>
<tr>
<td>RME3/RME5</td>
<td>0.210</td>
<td>0.350</td>
<td>0.640</td>
<td>0.350</td>
<td>0.920</td>
<td>0.120</td>
<td>0.530</td>
<td>0.830</td>
<td>0.170</td>
<td>0.600</td>
<td>0.460</td>
<td>0.350</td>
<td>0</td>
</tr>
<tr>
<td>RME3/RME6</td>
<td>0.230</td>
<td>0.170</td>
<td>0.940</td>
<td>0.160</td>
<td>0.580</td>
<td>0.130</td>
<td>0.350</td>
<td>0.860</td>
<td>0.270</td>
<td>0.960</td>
<td>0.280</td>
<td>0.210</td>
<td>0</td>
</tr>
<tr>
<td>RME3/RME7</td>
<td>0.180</td>
<td>0.050</td>
<td>0.400</td>
<td>0.050</td>
<td>0.180</td>
<td>0.180</td>
<td>0.320</td>
<td>0.870</td>
<td>0.180</td>
<td>0.900</td>
<td>0.180</td>
<td>0.100</td>
<td>0</td>
</tr>
<tr>
<td>RME4/RME5</td>
<td>0.690</td>
<td>0.160</td>
<td>0.160</td>
<td>0.770</td>
<td>0.200</td>
<td>0.870</td>
<td>0.160</td>
<td>0.660</td>
<td>0.970</td>
<td>0.500</td>
<td>0.810</td>
<td>0.380</td>
<td>0</td>
</tr>
<tr>
<td>RME4/RME6</td>
<td>0.440</td>
<td>0.660</td>
<td>0.500</td>
<td>0.470</td>
<td>0.960</td>
<td>0.650</td>
<td>0.180</td>
<td>0.070</td>
<td>0.150</td>
<td>0.220</td>
<td>0.750</td>
<td>0.820</td>
<td>0</td>
</tr>
<tr>
<td>RME4/RME7</td>
<td>0.470</td>
<td>0.160</td>
<td>0.220</td>
<td>0.040*</td>
<td>0.230</td>
<td>0.760</td>
<td>0.640</td>
<td>0.740</td>
<td>0.380</td>
<td>0.720</td>
<td>0.300</td>
<td>0.150</td>
<td>1</td>
</tr>
<tr>
<td>RME5/RME6</td>
<td>0.820</td>
<td>0.170</td>
<td>0.250</td>
<td>0.260</td>
<td>0.080</td>
<td>0.760</td>
<td>0.520</td>
<td>0.290</td>
<td>0.170</td>
<td>0.650</td>
<td>0.530</td>
<td>0.400</td>
<td>0</td>
</tr>
<tr>
<td>RME5/RME7</td>
<td>0.370</td>
<td>0.020*</td>
<td>0.030*</td>
<td>0.020*</td>
<td>0.030*</td>
<td>0.720</td>
<td>0.560</td>
<td>0.960</td>
<td>0.370</td>
<td>0.290</td>
<td>0.260</td>
<td>0.070</td>
<td>4</td>
</tr>
<tr>
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<td>0.290</td>
<td>0.080</td>
<td>0.090</td>
<td>0.040*</td>
<td>0.180</td>
<td>0.600</td>
<td>0.770</td>
<td>0.590</td>
<td>0.110</td>
<td>0.320</td>
<td>0.260</td>
<td>0.100</td>
<td>1</td>
</tr>
<tr>
<td>No of Diff</td>
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<td>2</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* Probability value is significant at the 0.05 level (2-tailed)

Source: Researcher
Table 7.30 presents the probability values (p) in Mann-Whitney analysis on 12 CSFs rankings by the membership of the demographic group. The “no. of diff” column indicates the number of true differences between the pairs of strata within the membership demographic group across the 12 CSFs. The “no. of diff” row indicates the number of true differences between pairs of strata within the membership demographic group within individual CSFs. The number of true differences among the membership demographic group strata is negligible, (4.8 per cent) 12 out of 252 probability values (p) < 0.05, which implies that there is consensus on the relative importance of the 12 CSFs among strata within the membership of the demographic group.
Stakeholder management for urban development projects in South Africa

| RPT1/RPT2 | CSF1 | 0.670 | 0.760 | 0.870 | 0.910 | 0.610 | 0.710 | 0.650 | 0.540 | 0.490 | 0.950 | 0.620 | 0.960 | 0 |
| RPT1/RPT3 | 0.130 | 0.160 | 0.670 | 0.910 | 0.900 | 0.860 | 0.860 | 0.810 | 0.370 | 0.820 | 0.790 | 0.670 | 0 |
| RPT1/RPT4 | 0.100 | 0.970 | 0.570 | 0.680 | 0.540 | 0.290 | 0.860 | 0.140 | 0.140 | 0.940 | 0.240 | 0 |
| RPT1/RPT5 | 0.550 | 0.440 | 0.670 | 0.730 | 0.180 | 0.210 | 0.610 | 0.800 | 0.450 | 0.840 | 0.090 | 0.670 | 0 |
| RPT1/RPT6 | 0.720 | 0.480 | 0.110 | 0.480 | 0.280 | 0.970 | 0.910 | 0.850 | 0.390 | 0.750 | 0.920 | 0.260 | 0 |
| RPT1/RPT7 | 0.020* | 0.170 | 0.360 | 0.060 | 0.270 | 0.070 | 0.440 | 0.220 | 0.390 | 0.090 | 0.020* | 0.140 | 2 |
| RPT2/RPT3 | 0.230 | 0.270 | 0.600 | 0.870 | 0.600 | 0.900 | 0.620 | 0.520 | 0.670 | 0.880 | 0.540 | 0.660 | 0 |
| RPT2/RPT4 | 0.060 | 0.840 | 0.640 | 0.650 | 0.370 | 0.230 | 0.680 | 0.080 | 0.240 | 0.720 | 0.840 | 0.240 | 0 |
| RPT2/RPT5 | 0.780 | 0.610 | 0.770 | 0.820 | 0.090 | 0.390 | 0.870 | 0.820 | 0.810 | 0.820 | 0.200 | 0.720 | 0 |
| RPT2/RPT6 | 0.940 | 0.620 | 0.150 | 0.570 | 0.480 | 0.810 | 0.850 | 0.580 | 0.200 | 0.790 | 0.840 | 0.270 | 0 |
| RPT2/RPT7 | 0.040* | 0.250 | 0.430 | 0.090 | 0.160 | 0.150 | 0.620 | 0.450 | 0.190 | 0.100 | 0.040* | 0.170 | 2 |
| RPT3/RPT4 | 0.020* | 0.400 | 0.420 | 0.780 | 0.600 | 0.270 | 0.970 | 0.290 | 0.450 | 0.830 | 0.800 | 0.430 | 1 |
| RPT3/RPT5 | 0.410 | 0.600 | 0.480 | 0.750 | 0.280 | 0.350 | 0.590 | 0.700 | 0.910 | 0.740 | 0.140 | 0.500 | 0 |
| RPT3/RPT6 | 0.380 | 0.730 | 0.110 | 0.550 | 0.300 | 0.870 | 0.830 | 0.990 | 0.180 | 0.900 | 0.810 | 0.530 | 0 |
| RPT3/RPT7 | 0.360 | 0.900 | 0.280 | 0.110 | 0.360 | 0.130 | 0.440 | 0.230 | 0.160 | 0.110 | 0.030* | 0.110 | 1 |
| RPT4/RPT5 | 0.060 | 0.650 | 0.830 | 0.570 | 0.730 | 0.090 | 0.630 | 0.130 | 0.400 | 0.630 | 0.300 | 0.190 | 0 |
| RPT4/RPT6 | 0.100 | 0.660 | 0.460 | 0.420 | 0.210 | 0.420 | 0.830 | 0.290 | 0.080 | 0.910 | 0.990 | 0.810 | 0 |
| RPT4/RPT7 | 0.000* | 0.360 | 0.830 | 0.100 | 0.810 | 0.030* | 0.490 | 0.030* | 0.070 | 0.130 | 0.090 | 0.040* | 4 |
| RPT5/RPT6 | 0.890 | 0.910 | 0.270 | 0.750 | 0.060 | 0.390 | 0.780 | 0.760 | 0.210 | 0.690 | 0.290 | 0.210 | 0 |
| RPT5/RPT7 | 0.090 | 0.550 | 0.630 | 0.200 | 0.920 | 0.510 | 0.750 | 0.390 | 0.210 | 0.200 | 0.390 | 0.350 | 0 |
| RPT6/RPT7 | 0.100 | 0.690 | 0.570 | 0.400 | 0.090 | 0.170 | 0.590 | 0.300 | 0.990 | 0.120 | 0.080 | 0.040* | 1 |

| No. of Diff | 4 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 3 | 2 | 0 |

* Probability value is significant at the 0.05 level (2-tailed)

Source: Researcher
Table 7.31 presents the probability values (p) in Mann-Whitney analysis on 12 CSFs rankings by the project-type demographic group. The “no. of diff” column indicates the number of true differences between the pairs of strata within the project type demographic group across the 12 CSFs. The “no. of diff” row indicates the number of true differences between the pairs of strata within the project-type demographic group within individual CSFs. The number of true differences among the project type demographic group strata is negligible, (4.4 per cent) 11 out of 252 probability values (p) < 0.05, which implies that there is consensus on the relative importance of the 12 CSFs among strata within the project-type demographic group.

The above analysis indicates that there is an overwhelming consensus (97.4 per cent) on the relative importance of the 12 CSFs among strata within the seven demographic groups, as the number of true differences is negligible. Overall, there are 48 out of 1872 probability values (p) < 0.05, which translates to 2.6 per cent of true differences among strata within the demographic groups on the ranking of CSFs.
7.5.3 CSFs factor analysis

The third and final secondary study objective is to explore the structural dimensions underlying the ranked 12 CSFs through multivariate statistical analysis, factor analysis specifically. A frequently applied concept in analysing the data from multivariate observations is to model the relevant information as coming from a limited number of underlying factors (Hardle & Simar, 2003: 275; Marden, 2011: 171).

Loehlin (2004: 28) defines factor analysis as a latent variable (or underlying factor) method, where the factors are unobserved hypothetical variables that underlie and explain the observed correlations. According to Costello and Osborne (2005: 2), the objective of factor analysis is to uncover the underlying factors that are responsible for the covariance of observed manifestations. Marden (2011: 179) states that the idea behind factor analysis is that the relationships (correlations, to be precise) of a set of variables can be explained by a number of other variables, called factors, that are not observed, but are latent or underlying. Whereas, Brown (2001: 15) states that the purpose of factor analysis is to explore the underlying variance structure of a set of correlation coefficients; and thus it is useful for exploring and verifying patterns in a set of correlation coefficients.

According to Loehlin (2004: 29), the factors of factor analysis are always inferred entities, whose nature is at best consistent with a given set of observations, never entirely determined by them. In this study, having identified, contextualised, confirmed, hypothesised, and ranked the 12 CSFs that influence stakeholder management success in urban development projects in South Africa, a further analysis of a possible unobserved structure underlying these 12 CSFs was conducted.

A distinction is often drawn between exploratory and confirmatory factor analysis. In exploratory factor analysis (EFA), which is what is usually thought of as "factor analysis" if no qualification is attached, the researcher seeks under rather general assumptions for a simple underlying dimension structure, one with no causal links between the underlying dimensions, that could account for the intercorrelations of an observed set of variables (Loehlin, 2004: 16). Exploratory factor analysis does not
begin with a specific model, only with rather general specifications about what kind of a model is being sought (Loehlin, 2004: 152). In confirmatory factor analysis (CFA), on the other hand, the researcher takes a specific hypothesised structure – that is, pre-conceived underlying dimensions with causal links – and sees how well it accounts for the observed relationships in the data (Loehlin, 2004: 16).

In this study, which is a correlational study, as discussed in 5.2.1, 5.3.2, and 5.3.3, exploratory factor analysis is employed.

There are several procedures; however, only two are commonly employed criteria or procedures for determining the number of factors to retain in factor analysis: the Kaiser-Guttman rule and the scree test – both employ eigenvalues, which are measures of the variance extracted with each factor (Loehlin, 2004: 165). The Kaiser-Guttman rule is the easiest to apply, and the most used in recent decades; and it has been incorporated into various popular factor analysis computer programmes (Brown, 2001: 17; Costello & Osborne, 2005: 2; Loehlin, 2004: 165).

The Kaiser-Guttman rule simply states: obtain the eigenvalues of the correlation matrix for an observed set of variables; ascertain how many eigenvalues are greater than 1.0.. That number is then the number of non-trivial factors that there will be in the factor analysis (Brown, 2001: 17; Costello & Osborne, 2005: 2; Loehlin, 2004: 165). According to the scree-test procedure, successive eigenvalues are plotted on a line graph; and a decision on how many factors to retain is arrived at – based on the point at which the curve of decreasing eigenvalues changes from a rapid, decelerating decline to a flat gradual slope (Brown, 2001: 18; Costello & Osborne, 2005: 3; Loehlin, 2004: 166; Marden, 2011: 256).

This linear or near-linear slope of gradually declining eigenvalues was called the scree by R. B. Cattell (1966a) (Loehlin, 2004: 166). The number of non-trivial factors to be retained is the number of those factors whose eigenvalues are rising above the scree (Brown, 2001: 18; Costello & Osborne, 2005: 3; Loehlin, 2004: 165; Marden, 2011: 256). The varimax rotation method, proposed by Kaiser (1985), is the most commonly used analytical algorithm to rotate the loadings in factor analysis; and it
was used in this study (Aksorn & Hadikusumo, 2008: 718; Hardle & Simar, 2003: 289; Yang, 2010: 103).

There are various criteria required to ensure the appropriateness of a dataset for factors analysis. The first and most highly contentious criterion, the so-called rule-of-thumb, is that of a data size or sample size: that is, the number of cases in a dataset. Yang (2010, 102) states that the minimum data size is 150 cases; and a minimum 10:1 case-variable ratio is the primary requirement for the appropriateness of a dataset for factors analysis, citing Pallant (2001) and Nunnaly (1978), respectively.

This research has 223 cases (respondents) and 12 variables (CSFs), satisfying both of these criteria: 223 > 150 and 18:1 (223:12) case-variable ratio. However, MacCallum, Wideman, Zhang and Hong (1999: 96) found the commonly suggested rule-of-thumb regarding sample sizes in exploratory factor analysis to be invalid and not useful (Loehlin, 2004: 184).

The second criterion, required to ensure the appropriateness of a dataset for factors analysis, is that of the strength of relationships among the variables (Nguyen et al., 2004: 408; Aksorn & Hadikusumo, 2008: 718; Yang, 2010: 103). This entails: the strength of the covariances among variables (CSFs) in a correlation matrix (>0.3), the value of Bartlett’s test of Sphericity (the correlation matrix should not be an identity matrix and the associated significance level should be very small – at the 5 per cent level p<0.05), the value of Kaiser–Mayer–Olkin’s (KMO) measure of sampling accuracy (MSA>0.6) (Aksorn & Hadikusumo, 2008: 718; Yang, 2010: 103).

The dataset of this study meets all three strength of CSFs relations criteria. All CSFs covariances are > 0.3 as represented in Table 7.32 of CSFs Pearson’s correlation matrix. Bartlett’s test of Sphericity yielded a chi-square of 1472.2 and p = 0.000010, which meets the criterion that the 12 CSFs correlation matrix is not an identity matrix. The value of KMO’s measure of sampling accuracy (MSA) is 0.93379, larger than 0.6 and indicates sufficient inter-correlations. Therefore, the dataset of this study fully complied with and satisfied the data size of respondents and the relationship strength among CSFs criteria for the appropriateness of factor analysis.
### Table 7.32 Critical success factors Pearson’s correlation matrix

<table>
<thead>
<tr>
<th></th>
<th>CSF1</th>
<th>CSF2</th>
<th>CSF3</th>
<th>CSF4</th>
<th>CSF5</th>
<th>CSF6</th>
<th>CSF7</th>
<th>CSF8</th>
<th>CSF9</th>
<th>CSF10</th>
<th>CSF11</th>
<th>CSF12</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSF1</td>
<td>1.000</td>
<td>0.7269</td>
<td>0.5457</td>
<td>0.6033</td>
<td>0.4639</td>
<td>0.4516</td>
<td>0.4793</td>
<td>0.4841</td>
<td>0.4913</td>
<td>0.4623</td>
<td>0.4424</td>
<td>0.5182</td>
</tr>
<tr>
<td>CSF2</td>
<td>0.7269</td>
<td>1.000</td>
<td>0.6189</td>
<td>0.5991</td>
<td>0.4779</td>
<td>0.5111</td>
<td>0.5784</td>
<td>0.5329</td>
<td>0.4883</td>
<td>0.4756</td>
<td>0.4830</td>
<td>0.5262</td>
</tr>
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<td>0.5457</td>
<td>0.6189</td>
<td>1.000</td>
<td>0.6419</td>
<td>0.4231</td>
<td>0.5208</td>
<td>0.6014</td>
<td>0.4951</td>
<td>0.4008</td>
<td>0.4884</td>
<td>0.4319</td>
<td>0.4857</td>
</tr>
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<td>0.6419</td>
<td>1.000</td>
<td>0.4775</td>
<td>0.5456</td>
<td>0.4840</td>
<td>0.5921</td>
<td>0.4594</td>
<td>0.5329</td>
<td>0.4071</td>
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</tr>
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<td>0.4231</td>
<td>0.4775</td>
<td>1.000</td>
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<td>0.4390</td>
<td>0.3835</td>
<td>0.3201</td>
<td>0.4895</td>
<td>0.3574</td>
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<td>0.5208</td>
<td>0.5456</td>
<td>0.5103</td>
<td>1.000</td>
<td>0.4632</td>
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<td>0.4839</td>
<td>0.3752</td>
<td>0.5658</td>
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<td>0.6014</td>
<td>0.4840</td>
<td>0.4390</td>
<td>0.4632</td>
<td>1.000</td>
<td>0.5800</td>
<td>0.5322</td>
<td>0.5343</td>
<td>0.5495</td>
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<td>CSF8</td>
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<td>0.5921</td>
<td>0.3835</td>
<td>0.4748</td>
<td>0.5800</td>
<td>1.000</td>
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<td>0.4996</td>
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<tr>
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<td>0.3201</td>
<td>0.3853</td>
<td>0.5322</td>
<td>0.5454</td>
<td>1.000</td>
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<td>0.5597</td>
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<td>0.4839</td>
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<td>0.5159</td>
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<td>1.000</td>
<td>0.5388</td>
<td>0.5724</td>
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<td>0.3572</td>
<td>0.3752</td>
<td>0.5495</td>
<td>0.4996</td>
<td>0.5439</td>
<td>0.5388</td>
<td>1.000</td>
<td>0.5798</td>
</tr>
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<td>0.4857</td>
<td>0.5463</td>
<td>0.5279</td>
<td>0.5658</td>
<td>0.5339</td>
<td>0.6019</td>
<td>0.5597</td>
<td>0.5724</td>
<td>0.5798</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Source: Researcher
Factor analysis was applied on the 12 CSFs whose correlation matrix is represented in Table 7.32. Factor 8.1, a freeware factor analysis package, was used in performing factor analysis; and the analysis attributes are stated in Table 7.33. SPSS v19 yielded the same outcome.

<table>
<thead>
<tr>
<th>Table 7.33 Factor analysis attributes</th>
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<td>FACTOR</td>
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</tr>
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<td>Number of variables</td>
</tr>
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<td>Variables included in the analysis</td>
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<tr>
<td>Variables excluded in the analysis</td>
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<td>Number of components</td>
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<td>Number of second-order components</td>
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<td>Procedure for determining the number of dimensions</td>
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<tr>
<td>Dispersion matrix</td>
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<td>Method for components extraction</td>
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</tr>
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<td>Clever rotation start</td>
</tr>
<tr>
<td>Number of random starts</td>
</tr>
<tr>
<td>Maximum number of iterations</td>
</tr>
<tr>
<td>Convergence value</td>
</tr>
<tr>
<td>Advised number of dimensions</td>
</tr>
</tbody>
</table>

Source: Researcher

The Kaiser-Guttman rule was applied to determine the underlying structural dimensions of the 12 CSFs; and it yielded a single factor structure, as represented in Table 7.34. Only one factor has an eigenvalue greater than 1.0.
The Scree test, as represented in Figure 7.1, to determine the number of factors to retain as the underlying structural dimensions of the 12 CSFs and the outcome of single dimension structure was consistent with the Kaiser-Guttman rule results. Only one factor is above the scree.
The deduction, from the Kaiser-Guttman rule and the Scree test, is that the result of the factor analysis on the 12 CSFs is a single dimension structure. According to White and Korotayev (2003: 33), the idea of the one-factor model is that there may be many different variables (12 CSFs) that measure the variants of a single concept or construct (stakeholder management). If that is the case, the variables (CSFs) should correlate with one another to the extent that they share covariation along this single dimension (White & Korotayev, 2003: 33). There is evidence of strong correlation among the 12 CSFs, as represented in Table 7.32.

The 12 CSFs are all loaded in a single factor, stakeholder management, as represented in Table 7.34. This is overwhelming evidence that all 12 CSFs measure a single concept: stakeholder management, and are explicit factors that influence stakeholder management success, and are influential factors of a framework required to improve stakeholder management in urban development projects in South Africa.
7.6 STAKEHOLDER FACTOR IN PROJECT SUCCESS

Respondents were asked to rate their degree of agreement on whether stakeholders affect project success, according to a five-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree). The outcome was an overwhelming agreement, with a mean score of 4.57, that stakeholders do affect project success.

Table 7.35 Stakeholder factor in project success

<table>
<thead>
<tr>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Strongly Disagree</td>
<td>5</td>
</tr>
<tr>
<td>2 – Disagree</td>
<td>1</td>
</tr>
<tr>
<td>3 – Neutral</td>
<td>9</td>
</tr>
<tr>
<td>4 – Agree</td>
<td>56</td>
</tr>
<tr>
<td>5 – Strongly Agree</td>
<td>152</td>
</tr>
<tr>
<td>Total</td>
<td>223</td>
</tr>
</tbody>
</table>

Table 7.35 presents the proportional representation of the respondents’ views on whether stakeholders affect project success, or not. An overwhelming 93 per cent of the respondents – 25 per cent Agree + 68 per cent Strongly Agree – agreed that stakeholders do affect project success. Only 3 per cent of the respondents disagreed, and 4 per cent were neutral.

This statistic is in agreement with the project success review undertaken in 3.6. Nguyen et al. (2004: 405) state that the project success and its measurement is contentious – mainly because it is determined by project stakeholders who have different and contending interests; and as a result, the project success becomes a subjective phenomenon. Bourne and Walker (2004: 227) state that the key for project success is ensuring that the stakeholder’s needs and expectations are well managed. It was also stated in 3.6 that, in the context of this study, the success of urban development projects refers primarily to meeting the project objectives (time, cost, quality, resources, risk, and scope that is acceptable to all the stakeholders);
but also, more importantly, it refers to a project’s long-term gains and/or interventions which, to be accepted, have to enhance the socio-political, socio-economic, and socio-ecological wellbeing of the project stakeholders.

7.7 CRITICAL SUCCESS FACTORS – RELIABILITY AND VALIDATION

Reliability refers to the degree of consistency in measuring by an instrument (Tavakol & Dennick, 2011: 53). The reliability of an instrument is closely associated with its validity, as an instrument cannot be valid unless it is reliable; however, the reliability of an instrument does not depend on its validity (Tavakol & Dennick, 2011: 53). The reliability of the CSFs subscale of the questionnaire instrument and that of the entire questionnaire instrument scale is tested in 7.7.1. The content and construct validity of the questionnaire instrument are also tested in 7.7.2 and 7.7.3, respectively.

7.7.1 Reliability of scale test

Internal consistency and the reliability of the questionnaire instrument used in this study were confirmed through the process discussed in 5.3.13; however, it is also confirmed statistically in this section. Cronbach’s coefficient alpha (α) is the most widely used objective measure of reliability (Saunders et al., 2009: 374; Tavakol & Dennick, 2011: 53). Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1 (Tavakol & Dennick, 2011: 53; Tharenou, Donohue & Cooper, 2007: 152). Internal consistency describes the extent to which all the items (CSFs) in a test measure the same concept or construct (stakeholder management in urban development projects); and hence, it is connected to the interrelatedness of the items (CSFs) within the test (Tavakol & Dennick, 2011: 53).

There are different reports on the acceptable values of alpha, ranging from 0.70 to 0.95; however, alpha values greater than 0.7 are regarded as an adequate confirmation of the reliability of a questionnaire instrument (Hyndman, 2008: 66; Tavakol & Dennick, 2011: 54; Tharenou et al., 2007: 152; Yang, 2010: 106).
The Cronbach reliability coefficient alpha (α) for the entire scale (questionnaire) of this study is 0.920, whereas that of the stakeholder management practice and key issues subscale is 0.915, and that of the CFSs’ subscale is 0.923. This confirms that all the 12 CSFs have high internal consistency, and are reliable.

### 7.7.2 Content validity test

Content validity is the extent to which the content aspects of the questionnaire instrument cover the concept being measured (Goddard & Melville, 2006: 47; Saunders et al., 2009: 592; Yang, 2010: 107). The content validity of the questionnaire instrument used in this study was confirmed through the process discussed in 5.3.13; however, it is also confirmed statistically in this section. The respondents were asked to indicate their views on whether the issues in the questionnaire adequately covered all aspects of stakeholder management in urban development projects in South Africa with a “YES” or a “NO”. That is, to give their views on the content validity of the questionnaire instrument.

<table>
<thead>
<tr>
<th></th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO – Content Validity</td>
<td>27</td>
<td>12%</td>
</tr>
<tr>
<td>YES – Content Validity</td>
<td>196</td>
<td>88%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>223</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 7.36 presents the proportional representation of the respondents’ views on the content validity of the questionnaire instrument. An overwhelming 88 per cent of the
respondents confirmed the validity of the questionnaire instrument; as a result, the content validity of the entire questionnaire instrument is confirmed.

7.7.3 Construct validity test

Construct validity refers to the extent to which the measurement questions actually measure the presence of those constructs or variables it intended them to measure; that is, the extent to which the method (data collection and analysis) actually measures what the researcher thinks it measures (Goddard & Melville, 2006: 47; Greener, 2008: 37; Saunders et al., 2009: 589).

The construct validity of the questionnaire instrument used in this study was confirmed through the process discussed in 5.3.13; however, it is also confirmed statistically in this section.

7.8 SUMMARY OF THE FINDINGS

The following is the list of findings for this study:

- The survey respondents group of the study is adequately suitable to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects in South Africa.
- A significant number of projects practitioners, by their own admission, do not practise a formalised stakeholder management in their projects. Only 13 per cent of the survey respondents do not practise stakeholder management at all in their projects, even though the number is not that significant; but it is an indictment of the lack of appreciation of the significance of stakeholder management in projects by some projects practitioners.
- In prevalent practice, priority is afforded to those stakeholders who sponsor and/or own urban development projects; whereas those who are on the periphery, but whose rights are being trampled underfoot by urban development projects receive the least attention.
- Projects practitioners regard both stakeholder behaviour classification criteria – stakeholder potential to be ‘cooperative’ or ‘a threat’ – as being endemic in urban development projects in South Africa. However, the general view is optimistic, as
it suggests that stakeholders in urban development projects have a slightly higher propensity to be cooperative than to be a threat to the project success.

- In the view of the study respondents, all 12 CSFs rank favourably and are regarded as being critical in influencing stakeholder management success in urban development projects in South Africa; and as a result, they are key components of a framework to improve stakeholder management in urban development projects in South Africa.

- There is a strong case for similarities by various strata within demographic groups on the rankings of the 12 CSFs; and there is an even a more compelling case for insignificant magnitude (2.6 per cent) of true differences by various strata within demographic groups on the rankings of the 12 CSFs.

- Factor analysis yielded a single factor structure; that is, all 12 CSFs measure a single concept: stakeholder management; and the 12 CSFs are explicit factors that influence stakeholder management success and are influential factors of a framework required to improve stakeholder management in urban development projects in South Africa.

- Project stakeholders are key in measuring and determining project success; and as a result, it is important for projects practitioners to ensure that the stakeholder’s needs and expectations are well managed in projects – and by inference in urban development projects too.

### 7.9 SUMMARY

In this chapter, the empirical results were discussed by analysing and interpreting the empirical data, highlighting the key findings, and linking theory to practice.

To ascertain the suitability of the survey respondents and the credibility of their opinions on the research subject, univariate descriptive statistics on their demographic composition were presented and analysed by scrutinising their project management profiles. The key finding was that the survey respondents’ group is adequately suitable to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects in South Africa.
Based on the projects scholarship and the body of knowledge concerns about the lack of adequate practice of stakeholder management by projects practitioners, the prevalent stakeholder management practice among the survey respondents was measured and analysed. The key finding was that a significant number of projects practitioners, by their own admission, do not practise a formalised stakeholder management in their projects. As many as 13 per cent of the survey respondents do not practise stakeholder management at all in their projects. Even though the number is not significant, it is an indictment of the lack of appreciation of the significance of stakeholder management in projects by some projects practitioners.

Survey respondents’ opinions on the stakeholder view of the urban development project, by ranking various stakeholder groups, were presented and analysed. The key finding is – as reviewed from the literature by various stakeholder management key theorists (Donaldson & Preston, 1995: 88) and (Freeman, 2004: 230) – that stockholders’ interests take pre-eminence over those of the external stakeholders. Although, overall, the survey respondents ranked all the urban development project stakeholders as important; nevertheless, they gave pre-eminence to the “client or customer”, “government”, “financier or sponsor”, “formal business” stakeholder groups, that is, some form of stockholder groups.

Even though “community” stakeholder groups were ranked high by the survey respondents, they were still lower than the stockholder groups in the pecking order. This attests to the prevalence of stakeholder perspective over the ethical responsibility (normative stakeholder management) to external stakeholders by projects practitioners.

Survey respondents’ opinions on the issues about stakeholders that should be addressed in urban development projects in South Africa were presented and analysed. The key finding is consistent with the previous finding of the stockholders’ pre-eminence over the interests of the external stakeholders. The analysis of the survey data shows that projects practitioners’ views are that the “stakeholder needs in the project” and “stakeholder commitments to the project” issues about stakeholders should be addressed first; whereas the “stakeholder rights in the project” issues about stakeholders should be addressed last.
The key finding once more is that, in prevalent practice, priority is afforded to those stakeholders who sponsor and own urban development projects; whereas those who are on the periphery, but whose rights are being trampled on by urban development projects receive the least attention.

Survey respondents’ opinions on decision making factors in addressing stakeholder related problems in urban development projects in South Africa were presented and analysed. Survey respondents ranked the “stakeholders’ influence on the project success” highest, and the “proximity of the stakeholders to the project” lowest as decision making factors in addressing stakeholder related problems in urban development projects in South Africa. The key finding once more points to the project practice, which seems to give pre-eminence to those stakeholders who have invested financially and/or hold custody of urban development projects over those external stakeholders who are affected as a result of the urban development projects’ impact on their socio-political, socio-economic, and socio-ecological wellbeing.

Survey respondents’ opinions on the classification criteria for stakeholder behaviour in urban development projects in South Africa were presented and analysed. The key finding is that projects practitioners regard both stakeholder behaviour classification criteria – stakeholder potential to be “cooperative” or “a threat” – as endemic in urban development projects in South Africa. However, the general view is optimistic, since it suggests that stakeholders in urban development projects have a slightly higher propensity to be cooperative than to be a threat to the success of the project.

Overall, the research identified, contextualised, and confirmed that the 12 CSFs that were ranked by survey respondents, as all being critical in influencing stakeholder-management success in urban development projects in South Africa; and as a result, were seen as the key components of a framework to improve stakeholder management in urban development projects in South Africa. The order of overall rankings, by mean scores, are: stakeholder communication (4.5471); stakeholder participation (4.4798); stakeholder identification (4.4619); stakeholder relations (4.4126); stakeholder education (4.3991); stakeholder risk (4.3677); stakeholder strategy (4.3453); stakeholder environment (4.3318); stakeholder profiling (4.2377);
stakeholder recognition (4.2287); stakeholder interest (4.1614); and stakeholder classification (4.0942). Due to no apparent order, similarity in rankings by various strata within demographic groups based on parametric tests, further nonparametric bivariate statistical analyses were executed. The overall finding was that there is a strong case for similarities by various strata within demographic groups on the rankings of the 12 CSFs; and there is an even more compelling case for insignificant magnitude (2.6 per cent) of true differences by various strata within demographic groups on the rankings of the 12 CSFs.

The outcome of factor analysis through multivariate-statistical analysis, to explore the structural dimensions underlying the ranked 12 CSFs, yielded a single factor structure. The key finding here was that all 12 CSFs measure a single concept, stakeholder management, and that the 12 CSFs are explicit factors that influence stakeholder management success, and are influential factors of a framework required to improve stakeholder management in urban development projects in South Africa.

Judging from the survey respondents’ opinions on the extent to which stakeholder factors affect project success, the key finding was that project stakeholders are key in measuring and determining project success. As a result, it is important for projects practitioners to ensure that the stakeholder’s needs and expectations are well managed in projects, and by inference, in urban development projects.

Finally, the reliability and validity analyses on the survey data were executed. Cronbach’s coefficient alpha (α), as the most widely used objective measure of reliability, was employed. This was done over and above the process discussed in 5.3.13 to ensure and confirm the internal consistency and reliability of the questionnaire instrument used in this study. The Cronbach reliability coefficient alpha (α) for the entire scale (questionnaire) of this research is 0.920, whereas that of the stakeholder management practice and key issues subscale is 0.915, and that of the CFSs subscale is 0.923. This confirms that all the 12 CSFs have high internal consistency and are reliable. The content validity of the questionnaire instrument was confirmed by an overwhelming 88 per cent of the respondents. The construct validity of the questionnaire instrument used in this study was confirmed through the process discussed in 5.3.13; however, it was also confirmed statistically in this section.
This chapter has accomplished the second and the third secondary objectives of the study: ranking the identified, contextualised, confirmed 12 CSFs, and exploring the underlying latent structure of the 12 CSFs. The next chapter will provide an overview of the entire study, conclusions according to the study objectives, recommendations on the improvement of stakeholder management in urban development projects in South Africa, the value of the study to theory and practice, the limitations of the study, and proposals for further research.
CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION
The primary objective of this study is to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management CSFs that have an influence on stakeholder management success in urban development projects in South Africa. This chapter provides an overview of the entire study, the conclusions to the study objectives, the managerial implications and some recommendations for the improvement of stakeholder management in urban development projects in South Africa, the value of the study to theory and practice, the limitations of the study, and some proposals for further research.

8.2 OVERVIEW OF THE STUDY
The study was segmented into eight chapters. From the first, each chapter, according to the research prescripts, addressed relevant subjects in a cumulative manner, in order to address the research problem and the study objectives as formulated in the first chapter.

In Chapter 1, the setting of the study was laid out. This entailed the sketching of the research problem issue and the formulation of the study objectives.

There is a consensus among numerous researchers that there is a general lack of knowledge for project managers on how to manage stakeholders, particularly external stakeholders (Olander, 2003: 19). According to Worsley (2011: 22), stakeholder management is a poorly understood and usually very badly implemented discipline. Judging by extensive negative media coverage, many of South African urban development projects exhibit poor stakeholder management.

The research problem was then stated as follows: “This research proposes to investigate the effects of stakeholder management, and the neglect thereof, as a determinant of project success or project failure in the management of urban development projects in South Africa. The ensuing primary study objective was to
develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management CSFs that have an influence on stakeholder management success in urban development projects in South Africa.

The first secondary objective of the study was to identify stakeholder management CSFs for urban development projects in South Africa through a literature review, contextualise the CSFs through stakeholder interviews, and confirm the CSFs through expert interviews. The second objective of the study was to quantitatively rank and prioritise the critical success factors (CSFs) associated with stakeholder management in urban development projects. The third secondary objective of the study was to explore the underlying latent structure among the stakeholder management CSFs.

This study is important primarily because there seems to be no previous research conducted on this important discipline, stakeholder management of urban development projects, of project management; and there seems to be a neglect of stakeholder management duties by urban development projects agencies, and by implication, projects practitioners in South Africa.

Also discussed in Chapter 1 were other research aspects like: the scope of the study; assumptions; as well as the concepts and abbreviations used in the study.

In Chapter 2, the socio-political and socio-economic background to the study was reviewed. This entailed an overview of the state (programme, importance, and challenges) of urban development in South Africa, which highlighted the practical significance of the study. This chapter was a precursor to the first secondary objective of the study of identifying, contextualising, and confirming stakeholder management CSFs for urban development projects in South Africa.

The urban development theory was briefly reviewed. The urban development concept is understood to refer to the development of cities or urban areas for the purpose of improving the quality of life in the cities, and putting in place an adequate
infrastructure to stimulate or enable economic growth, both these purposes being pursued under constrained space and environmental protection or preservation.

The state of urban development in BRICS fraternal countries was explored, because of the macro-economic significance of urban development, and also because of South Africa’s strategic membership of BRICS. An overview of the status of urban development in the BRICS countries, with the exception of China, points to an urban development backlog with a direct bearing on the countries’ economic growth and the social wellbeing of the citizens.

The programme, significance, and challenges of urban development in South Africa were also explored. Urban development in South Africa has four major programmes: (i) Integrating the cities; (ii) improving housing and infrastructure; (iii) promoting urban-economic development; and (iv) creating institutions for delivery. Four key challenges that necessitate urban development in South Africa and that were identified by the government are: an insufficient and inadequate infrastructural network; uncompetitive environment and weak regulation; lack of infrastructure maintenance and refurbishment; and operational inefficiencies.

Urban development projects in South Africa are mainly about redressing the legacy backlogs. The political past, systematic preferential development based on racial segregation by the previous government, and the two decades of subjection of South Africa to economic and cultural isolation by the international community, resulted in a huge backlog with regard to the two general purposes of urban development projects – social progress and economic progress.

In Chapter 3, the salient aspects of the managerial concept and the contemporary practice in the management of projects – which are the domain of this study – were reviewed. This entailed the review of various project management theories, commentaries, and practice standards of project management associations that are the custodians of the project management practice. This chapter was also a precursor to the first secondary objective of the study: that of identifying, contextualising, and confirming stakeholder management CSFs for urban development projects in South Africa.
The validity of project management as an academic theory is still a contentious issue among scholars. Various scholars argue that project management theory is a practitioner-driven normative theory. However, there is consensus that project management is a perfectible theory that is still in its infancy.

The projects concept was briefly reviewed. In the context of this study, an urban development project is a temporary organisation that is unique and constrained in terms of scheduled time, budgeted cost, and prescribed scope – that is acceptable to all stakeholders and undertakes to deliver a unique prescribed-infrastructural product aimed at enabling economic growth and/or improving the lives of citizens. Urban development project management comprises all knowledge, attitudes, managerial skills, and activities employed on human and non-human resources in a collective effort to ensure that an urban development project is concluded on scheduled time, within budgeted costs, delivers an outcome that meets the prescribed urban development product, performs according to that which is acceptable to all stakeholders, and ensures that the established socio-political, socio-economic, and socio-ecological issues within which an urban development project is implemented are taken into consideration or mitigated for.

Over and above the review of the contemporary practice of project management, because of its centrality to this study’s problem issue and primary objective, the project-success concept was explored. By and large, this study is about (urban development) project success, or about minimising (urban development) project failures on the stakeholder management aspect. Urban development project success refers primarily to meeting the project objectives (time, cost, quality, resources, risk, and scope that is acceptable to all the stakeholders). But also, more importantly, it refers to a project’s long-term gains and/or interventions which, to be accepted, have to enhance the socio-political, socio-economic, and socio-ecological wellbeing of the projects’ stakeholders.

The PMO concept was also reviewed. This study is, more specifically, about the improvement of stakeholder management in urban development projects, so as to reduce the number of project failures from the perspective of all the stakeholders.
The purpose of PMOs is to improve project management performance and to reduce the number of project failures; hence, an advanced mode of PMO is referred to as a “centre of excellence”. The stakeholder management framework developed through this research, therefore, falls under the custodianship of the PMO.

The framework, as a project management standard or part of project management methodology in urban development projects, can be effected more efficiently within a PMO setup – because it requires monitoring through project-practice oversight and governance mechanism – which is more in the domain (or interests) of the PMO than of the project manager.

In Chapter 4, stakeholder management theory and some classical models were reviewed, in order to provide the core theoretical basis for the study. This entailed critically reviewing various stakeholder management theories and classical models, as expounded by various authoritative stakeholder management scholars. This chapter was also a precursor to the first secondary objective of the study: that of identifying, contextualising, and confirming stakeholder management CSFs for urban development projects in South Africa.

Stakeholder theory is a relatively recent inclusion in management literature; and it is found in disciplines as diverse as economics, ethics, marketing, political science, and systems science (including project management). The term stakeholder (in particular urban development stakeholder) refers to all individuals, communities, and any groups whose socio-political, socio-economic, and/or socio-ecological circumstances are impacted – positively or negatively – by the urban development project’s scope.

Donaldson and Preston (1995: 88) stated that the stakeholder theory “has been advanced and justified in the management literature on the basis of its descriptive accuracy, instrumental power, and normative validity”. As much as these three facets of the stakeholder theory are interconnected, they also differ significantly, because they yield diverse forms of evidence and argument; and as a result, diverse propositions (Donaldson & Preston, 1995: 88).
The arguments by various scholars on this contemporary tri-stream perspective of the stakeholder theory have led to the proverbial theoretical war among stakeholder theorists. All three stakeholder theory positions are valid in the context of this study. In urban development projects, managers should appreciate the stakeholder environment: how it fits in with what an urban development agency is intending to implement through urban development projects, and what the interfaces are that enable this “enforced” (by urban development imperatives) partnership between the project team and the project stakeholders – the descriptive view of stakeholder theory.

In urban development projects, project managers should appreciate that project success is determined not only on the basis of time, budget, and scope – but the satisfaction of the entire stakeholder community, and as a consequence project-stakeholder relations, are instrumental to the eventual outcome (benefit or value) of an urban development project – the instrumental view of stakeholder theory. In urban development projects, project managers should appreciate the right of stakeholders to exist; these rights should be afforded the respect and recognition they deserve; and project teams should do the right thing – by being ethical and responsible to all the stakeholders – even in the technical aspects of a project, like the project scope – the normative view of stakeholder theory.

The prevalent classical stakeholder management models were extensively reviewed. The three groupings of classical stakeholder management models are all important in achieving the first secondary objective of this study: the stakeholder view of the firm models, the stakeholder classification and management strategies models, and the stakeholder management process and/or in the stakeholder-strategy formulation models.

In Chapter 5, the research philosophical position, the research design, and the research process were discussed, as followed by this study.

The choice and adoption of mixed methodology was discussed and justified. A mixed paradigm – with the quantitative paradigm being predominant over the qualitative paradigm – was adopted for this study. A hybrid philosophical approach with the
positivist philosophical stance predominating over the interpretivist philosophical stance was adopted for this study. A mixed ontology – with the objectivist ontology predominating over the subjectivist ontology – was adopted for this study.

Also discussed, was the research design followed in the study. This entailed the discussion of the choice and justification of: (1) exploratory, descriptive, and hypotheses testing; (2) triangulation, consisting of a collaboration of interview and survey research strategies; (3) correlational investigation; (4) minimal researcher interference; (5) organisation as unit of analysis; (6) non-contrived setting; (7) cross-sectional time horizon; (8) non-probability sampling design; (9) interview and questionnaire data collection methods; (10) scaling (nominal, ordinal, interval, ratio) data measurement; (11) content analysis, ranking analysis, correlational analysis, and factor analysis as data analysis approaches.

The research process followed in the development of a stakeholder management framework to improve stakeholder management in urban development projects in South Africa was also discussed. This entailed the sub-processes for: (1) Identifying preliminary stakeholder management CSFs through the literature review; (2) contextualising the list of preliminary stakeholder management CSFs through interviews with internal and external stakeholders of two select urban development projects; (3) confirming the list of preliminary stakeholder management CSFs to finalise the hypothesised model through interviews with a selection of experienced project management scholars and project management practitioners; (4) developing a measuring instrument (questionnaire) to test the hypothesised model; (5) refining and strengthening the measuring instrument (questionnaire) – to ensure and/or improve the validity and reliability of the instrument – through a pilot study with a selection of experienced project management practitioners; (6) testing the hypothesised model by an administering measuring instrument (questionnaire) on the study’s respondents (population or sample); (7) analysing the empirical data collected from the study respondents (population or sample) through statistical analysis; and (8) learning – interpreting the empirical results, discussing key findings of the study, and linking theory to practice – and advancing managerial and further research recommendations.
In Chapter 6, a theoretical model to improve stakeholder management in urban development projects in South Africa was developed. This entailed creating a theoretical space for the study in the fraternal literature, justifying the use of CSFs approach in the development of a theoretical framework, and developing a theoretical model to improve stakeholder management in urban development projects in South Africa through the CSFs identified from the existing literature, contextualised by means of stakeholder interviews in two volatile urban development projects, and confirmed by means of expert interviews with project management academics and practitioners.

The CSFs approach in the development of a theoretical framework was discussed and justified from previous studies. Previous studies show that the CSF approach is a universal business-management method and is a research approach to improve the performance of the management process; and also that the method has academic credibility and is suitable. Stakeholder management CSFs for urban development projects consist of any knowledge, attitude, and activity that is absolutely essential for the management of project stakeholders and all stakeholder related matters within the confines of an urban development project.

These factors improve project performance when they constitute a comprehensive and coherent list, when they are all in place, and when they are implemented collaboratively. That is, the likelihood of stakeholder management success is derived from all these factors being present and implemented in an urban development project.

A select few previous studies on CSFs and/or stakeholder management in construction projects (other than urban development projects) were discussed; and a theoretical space was created for this study in the fraternal literature. Previous fraternal studies on CSFs and/or stakeholder management in projects were undertaken on pure construction projects; however, there seem to be none undertaken in the urban development environment. As a result, this study provides that missing urban development dimension.
A theoretical model to improve stakeholder management in urban development projects in South Africa was developed. This theoretical model consisted of 12 CSFs and was developed in a three-step scholarly process: literature review, contextual stakeholder-interview analysis, and consultative expert-interviews analysis. The 12 CSFs are: stakeholder environment; stakeholder recognition; stakeholder identification; stakeholder profiling; stakeholder classification; stakeholder interest; stakeholder communication; stakeholder participation; stakeholder education; stakeholder risk; stakeholder relations; and stakeholder strategy.

In Chapter 7, a detailed analysis and interpretation of the empirical data, a discussion of the key findings, and linking practice to theory were discussed. This entailed stakeholder management practice, stakeholder management key issues, quantitative ranking and prioritisation of CSFs, and the exploration of CSFs underlying latent dimensions and relationships.

Univariate descriptive statistical analyses were employed on the data to determine the suitability of the survey respondent group as being suitable to provide credible opinions on stakeholder management practice, key issues, and critical success factors in urban development projects in South Africa.

The first key finding was that a significant number of projects practitioners, by their own admission, do not practise a formalised-stakeholder management in their projects. Thirteen per cent of the survey respondents do not practise stakeholder management at all in their projects. Although the number is not significant, it is an indictment of a lack of appreciation of the significance of stakeholder management in projects by some projects practitioners.

The second key finding was – as reviewed from the literature by various stakeholder management key theorists (Donaldson & Preston, 1995: 88) and (Freeman, 2004: 230) – that stockholders' interests take pre-eminence over those of the external stakeholders in business, and by implication also in projects. Although, overall, the survey respondents ranked all the urban development project stakeholders as important; however, they gave pre-eminence to the “client or customer”,
“government”, “financier or sponsor”, “formal business” stakeholder groups, that is, some form of stockholder groups.

Even though “community” stakeholder groups were ranked high by the survey respondents, they were still lower than the stockholder groups in the ranking order. This attests to the prevalence of instrumentality of stakeholder perspective over the ethical responsibility (normative stakeholder management) towards external stakeholders by projects practitioners.

The third key finding was consistent with the previous finding on the stockholders’ pre-eminence over external stakeholders. This was that, in prevalent practice, priority is afforded to those stakeholders who sponsor and/or own urban development projects; whereas those who are on the periphery of projects and whose rights are being trampled upon by urban development projects, receive the least attention.

Respondents ranked the “stakeholders’ influence on the project success” highest, and the “proximity of the stakeholders to the project” as the lowest of decision making factors in addressing stakeholder related problems in urban development projects in South Africa. This fourth key finding once more points to the practice, which seems to give pre-eminence to those stakeholders who have invested financially and/or hold custody of urban development projects over those external stakeholders who are affected as a result of the urban development projects’ impact on their socio-political, socio-economic, and socio-ecological wellbeing.

The fifth key finding was that projects practitioners regard stakeholder behaviour classification criteria – the stakeholders’ potential to be “cooperative” or “a threat” – as endemic in urban development projects in South Africa. However, the general view is optimistic, since it suggests that stakeholders in urban development projects have a slightly higher propensity to be cooperative than to be a threat to the project success.

The sixth key finding was that all 12 CSFs are critical in their influence of stakeholder management success in urban development projects in South Africa, with stakeholder communication the highest-ranked CSF and stakeholder classification the lowest-ranked. The order of overall rankings of the 12 CSFs, by mean scores,
were: (1) stakeholder communication (4.5471); (2) stakeholder participation (4.4798); (3) stakeholder identification (4.4619); (4) stakeholder relations (4.4126); (5) stakeholder education (4.3991); (6) stakeholder risk (4.3677); (7) stakeholder strategy (4.3453); (8) stakeholder environment (4.3318); (9) stakeholder profiling (4.2377); (10) stakeholder recognition (4.2287); (11) stakeholder interest (4.1614); and (12) stakeholder classification (4.0942).

A secondary, but important, finding to the sixth key finding was that stakeholders, and their management, contribute significantly to the measurement and determination of project success – and by inference to urban development success.

Because there was no apparent order in the ranking of the various strata within demographic groups – based on the parametric statistical analysis – further nonparametric bivariate statistical analyses were executed. The seventh finding was that there is a strong case for similarities by various strata within demographic groups on the rankings of the 12 CSFs; and there is an even more compelling case for insignificant magnitude (2.6 per cent) of true differences by various strata within demographic groups on the rankings of the 12 CSFs.

The outcome of factor analysis through multivariate statistical analysis, to explore the structural dimensions underlying the ranked 12 CSFs, yielded a single factor structure. The eighth and final key finding was that all 12 CSFs measure a single concept, stakeholder management, and that the 12 CSFs are explicit factors that influence stakeholder management success, and are critical factors of a framework required to improve stakeholder management in urban development projects in South Africa.

The reliability and validity tests were also positive. The Cronbach reliability coefficient alpha (α) for the entire scale (questionnaire) of this research was found to be 0.920, whereas that of the stakeholder management practice and the key issues subscale was 0.915, and that of the CFSs subscale was 0.923. This confirms that all the 12 CSFs have high internal consistency and are reliable. The content validity of the questionnaire instrument was confirmed by an overwhelming 88 per cent of the respondents.
The construct validity of the questionnaire instrument used in this study was confirmed through the process discussed in 5.3.13; however, it was also confirmed statistically in this chapter.

In Chapter 8, comprehensive research outcomes of the study — providing conclusions to the study’s objectives, managerial recommendations, the value of the study, and further research recommendations — are discussed in this chapter.

### 8.3 CONCLUSIONS TO THE STUDY OBJECTIVES

The study set out to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management CSFs that have an influence on stakeholder management success in urban development projects in South Africa. Conclusions are provided under each of the three secondary objectives, and consolidated under the primary objective.

#### 8.3.1 Conclusions to the first secondary objective

1. To investigate the influence of various stakeholder management critical success factors (CSFs) on stakeholder management success in urban development projects;
   1.1 To be identified through the evaluation of related and relevant previous research/literature — against the background of:
      1.1.1 The state (programme, importance, and challenges) of urban development in South Africa;
      1.1.2 The management of projects — the concept and practice, and
      1.1.3 The theory and classical models of the stakeholder management concept;
   1.2 To be contextualised through a limited qualitative study (interviews with internal and external stakeholders in two volatile urban development projects – Johannesburg BRT and GFIP);
   1.3 To be confirmed through a limited qualitative study (interviews with thirteen project management experts – a combination of academics and practitioners); and
1.4 To be tested through a full-scale quantitative study (survey questionnaires to be administered to projects practitioners).

From the critical review of literature, the 10 CSFs that have an influence on stakeholder management success in urban development projects were identified. These 10 CSFs are embodied in 10 macro concepts or themes that have repeatedly appeared in the literature reviewed. These were substantiated by various scholars who are theorists in stakeholder management, urban development, and/or project management.

From the literature review, it was substantiated that these were imperative factors whose absence or neglect in stakeholder management could expose stakeholder management, and consequently urban development projects, to potential failure – at least from the perspective of the external stakeholders. These preliminary 10 CSFs were: (1) stakeholder environment; (2) stakeholder recognition; (3) stakeholder identification; (4) stakeholder profiling; (5) stakeholder classification; (6) stakeholder interest; (7) stakeholder communication; (8) stakeholder risk; (9) stakeholder relations; and (10) stakeholder strategy.

This preliminary set of 10 CSFs was then contextualised into the South African setting through a limited qualitative study that entailed interviews with internal and external stakeholders in two select volatile and sensitive urban development projects in South Africa – Johannesburg BRT and GFIP. These were flagship and groundbreaking projects in the South African infrastructural development programme in general, and in the South African transport system in particular, since they introduced unprecedented concepts to the South African public in the form of bus rapid transit and urban road tolling.

The interviews ratified the 10 CSFs as being contextually relevant to the South African setting, and having an influence in the success of stakeholder management in urban development projects in South Africa. Through this process, two additional CSFs that also have an influence in stakeholder management success in urban development projects in South Africa were uncovered. The two additional CSFs
were: (1) stakeholder participation and (2) stakeholder education. As a result, the preliminary set of CSFs was increased to 12.

The resultant set of 12 CSFs was then confirmed – for its scholarly standing and practical relevance – through a limited qualitative study that entailed interviews with 13 arbitrarily selected academic and practitioner experts in project management. All experts interviewed were unanimous that the list of 12 CSFs was critical and comprehensive; and they all, individually and collaboratively, have an influence in the success of stakeholder management in urban development projects in South Africa. Cosmetic changes to the phrasing of some CSFs captions were recommended by experts, and then effected by research.

It is, therefore, concluded that the process of identifying (through the literature review), contextualising (through the stakeholder interviews), and confirming (through the expert interviews) various stakeholder management CSFs that have an influence on the success of stakeholder management in urban development projects was rigorous enough and scholarly sound to accept the 12 CSFs as being critical, comprehensive, coherent, and that the 12 CSFs individually and collaboratively have an influence in the success of stakeholder management in urban development projects in South Africa.

8.3.2 Conclusions to the second secondary objective

2. To quantitatively rank and prioritise critical success factors (CSFs) associated with stakeholder management in urban development projects, that is, through statistical analysis answer the following questions:

2.1 What is the ranking of the CSFs in the entire respondent sample and in each demographic group (position, experience, PM qualification, other qualification, certification, membership, and project type)?

2.2 Is there a general consensus on the rankings of the CSFs across various strata within demographic groups?

2.3 Is there any correlation between the score values of the CSFs and demographic groups?
2.4 What are the true differences in perceptions on the relative importance of CSFs across various strata within demographic groups?

The order of overall rankings of the 12 CSFs, by mean scores, was as follows: stakeholder communication (4.5471); stakeholder participation (4.4798); stakeholder identification (4.4619); stakeholder relations (4.4126); stakeholder education (4.3991); stakeholder risk (4.3677); stakeholder strategy (4.3453); stakeholder environment (4.3318); stakeholder profiling (4.2377); stakeholder recognition (4.2287); stakeholder interest (4.1614); and stakeholder classification (4.0942).

From both the parametric and nonparametric analysis of the rankings of the 12 CSFs by respondents, there is a strong case for similarities by various strata within demographic groups on the rankings of the 12 CSFs, and there is an even more compelling case for insignificant magnitude (2.6 per cent) of true differences by various strata within demographic groups on the rankings of the 12 CSFs.

It is, therefore, concluded that the overall ranking and prioritisation of the 12 CSFs has been adequately substantiated for the 12 to be accepted in the stated ranking order. It may also be concluded that the factors that embody and foster direct contact and interaction between the project and its stakeholders are the most critical in the management of stakeholders in urban development projects in South Africa.

These factors are: stakeholder communication, stakeholder participation, stakeholder relations, and stakeholder education; and they are ranked first, second, fourth, and fifth, respectively. Therefore, the crux of stakeholder management is communication and consultation, as these engender improved relations and in the long run enhance relations established on mutual trust and respect between the project and its stakeholders. These also require participation in the consultative processes by stakeholders, explaining and simplifying the project implications and the potential impact on the stakeholders' sophistication levels for the betterment of stakeholder management.

However, over and above effective communication, the other factors are also critical if stakeholder management is to be successful in urban development projects. The
identification of stakeholders has been ranked third, and its criticality is significant because even communication and consultation would not be effective if the stakeholders had not been adequately identified.

8.3.3 Conclusions to the third secondary objective

3. To explore underlying latent structure among the critical success factors (CFSs) by using factor analysis, that is, through statistical analysis answering the following question:

3.1 What are underlying CSFs relationships and dimensions?

The exploration of structural dimensions underlying the ranked 12 CSFs, using factor analysis, yielded a single factor structure. It may, therefore, be concluded that all 12 CSFs measure a single concept, which is stakeholder management, and that the 12 CSFs are explicit factors that collaboratively have an influence on the success of stakeholder management in urban development projects in South Africa.

8.3.4 Conclusions to the primary objective

To develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management critical success factors (CSFs) that have an influence on the success of stakeholder management in urban development projects in South Africa.

Over and above the determination of the ranked 12 CSFs that have an influence on the success of stakeholder management in urban development projects, and that the 12 CSFs gravitate towards a single dimension structure, other salient aspects of the management of stakeholders were explored. These salient aspects of stakeholder management are about the practice of stakeholder management by projects practitioners, and also about the propensity of stakeholder practitioners on key issues pertaining to the management of stakeholders. The following may be concluded in this study.

- A significant number of projects practitioners, by their own admission, do not practise a formalised stakeholder management in their projects. Thirteen per cent
of the survey respondents do not practise stakeholder management at all in their projects; and even though the number is not that significant, it is an indictment of the lack of appreciation of the significance of stakeholder management in projects by some projects practitioners. 

- The projects practitioners’ view on the degree of importance of various stakeholder groups is as predicted by various stakeholder management key theorists (Donaldson & Preston, 1995: 88) and (Freeman, 2004: 230) that stockholders’ interests take pre-eminence over those of external stakeholders. Projects practitioners give pre-eminence to the “client or customer”, “government”, “financier or sponsor”, “formal business” stakeholder groups, that is, some form of stockholder groups. This attests to the prevalence of the stakeholder perspective over the ethical responsibility (normative stakeholder management) towards external stakeholders by projects practitioners. There has to be a change of attitude towards stakeholder recognition (ranked tenth in this study) by projects practitioners if stakeholder management is to embody the project’s ethical responsibility towards all the stakeholders, as advocated by Freeman (2004: 230).

- Projects practitioners’ propensity on addressing stakeholder issues in projects is consistent with the preceding point on the stockholders pre-eminence over external stakeholders. Projects practitioners’ views are that priority should be afforded to those stakeholders who sponsor and/or own urban development projects, whereas those who are on the periphery of projects, and whose rights are being trampled on by urban development projects should receive the least attention.

- Projects practitioners’ propensity on decision making factors in addressing stakeholder related problems in projects also has an instrumental basis. Pre-eminence is given to those stakeholders who have influence on the project; whereas those who are affected and are in close proximity to the project (external stakeholders who are affected as a result of the urban development projects’ impact on their socio-political, socio-economic, and socio-ecological situations) are considered last or least in decision making in the projects.

The conclusion on the preceding salient aspects of stakeholder management is that a paradigm shift, from a predominantly instrumental stakeholder management to a more normative stakeholder management by projects practitioners, particularly in
urban development projects in South Africa, is necessary if the success of stakeholder management is to improve in such projects.

The empirical findings of the study have shown that the mean scores of the 12 CSFs by surveyed projects practitioners are in excess of 4 on the 5-point Likert scale; and therefore, these 12 CSFs are highly rated in their relationship with stakeholder management success in urban development projects in South Africa. It may, therefore, be inferred that the 12 CF’s constitute the cornerstone of a framework to improve stakeholder management in urban development projects.

8.4 MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The study set out to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management CSFs that have an influence on the success of stakeholder management in urban development projects in South Africa. Therefore, the artefact of the study is a framework, and specifically a stakeholder management framework for urban development projects in South Africa.

The Encarta dictionary defines a framework as a “set of principles or rules that provides the basis or the outline for something intended to be more fully developed at a later stage” (Encarta, 2001: 567). Because there are no two (or more) projects that are the same, but all projects are unique – unique in objective, environment, scope, outcomes, and other attributes – therefore, a framework for stakeholder management in urban development projects should be just that: a framework. That is, it should not be reduced to a project plan; but it should be a constitution of principles or rules that provide a basis or an outline for something intended to be more fully developed at a later stage – in this study’s context, the development of stakeholder management plans for individual and unique urban development projects as and when they are conceived and implemented.

Yang et al. (2010: 4) analysed seven stakeholder management frameworks, which they refer to as stakeholder management process models; and they arrived at a conclusion that these frameworks were not coherent and detailed enough to be of
practical use. A framework, to be applicable and effective, needs to be comprehensive and coherent; however, it should not be too detailed – to the extent of being reduced to an operational plan or a project plan – it should provide a basis or an outline for project plans to be more fully developed for individual and unique urban development projects at a later stage.

Therefore, the need is for a comprehensive and coherent framework, but not a high-level plan, as some studies have been attempting – because, “a complete list of factors which contribute to the success of stakeholder management has not yet been developed” (Yang et al., 2010: 9).

This study provides a framework, a comprehensive and coherent set of critical principles and rules that provide a basis or an outline for the development of stakeholder management plans and processes for individual and unique urban development projects. The principles and rules of managing stakeholders in urban development projects in South Africa (that are included in the framework) are primarily comprehensive; they are as inclusive as is practically possible; and this has been confirmed by thirteen project experts (academics and practitioners), as discussed in 6.4.3.

These principles and rules are also coherent; they are effective when applied collaboratively; and this has been confirmed by the single dimension structure underlying these principles and rules, as substantiated in 7.5.3, through factor analysis. These principles and rules are also critical, they are all important and indispensable for the success of stakeholder management in urban development projects in South Africa; and this has been empirically shown by the overall rankings of their associated CSFs in 7.5.2. The framework of CSFs, as well as the guiding principles and rules to improve stakeholder management in urban development projects, is represented in Table 8.1.
Table 8.1 Stakeholder management framework for urban development projects in South Africa

<table>
<thead>
<tr>
<th>Critical Success Factors</th>
<th>Corresponding Guiding Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSF1* Stakeholder Communication</td>
<td>consultation and continuous up-to-date communication with all stakeholders</td>
</tr>
<tr>
<td>CSF2* Stakeholder Participation</td>
<td>encouraging early participation of stakeholders in consultative processes</td>
</tr>
<tr>
<td>CSF3* Stakeholder Identification</td>
<td>identifying all stakeholders ensuring that all are listed and known</td>
</tr>
<tr>
<td>CSF4* Stakeholder Relations</td>
<td>open and frank stakeholder relations established on mutual trust and respect</td>
</tr>
<tr>
<td>CSF5* Stakeholder Education</td>
<td>explaining and simplifying the project implications and potential impact to the stakeholders' sophistication levels</td>
</tr>
<tr>
<td>CSF6* Stakeholder Risk</td>
<td>identification, analysis, monitoring, control, and mitigation of stakeholder related risks</td>
</tr>
<tr>
<td>CSF7* Stakeholder Strategy</td>
<td>formulating and executing appropriate stakeholder management strategies for all stakeholder groups</td>
</tr>
<tr>
<td>CSF8* Stakeholder Environment</td>
<td>understanding stakeholder socio-political, socio-economic, and socio-ecological environment</td>
</tr>
<tr>
<td>CSF9* Stakeholder Profiling</td>
<td>profiling stakeholders to understand all their relevant aspects and characteristics pertaining to the project</td>
</tr>
<tr>
<td>CSF10* Stakeholder Recognition</td>
<td>recognition of all stakeholders as being legitimate and having rights with their wellbeing, dignity, and culture being respected</td>
</tr>
<tr>
<td>CSF11* Stakeholder Interest</td>
<td>interests or requirements of all stakeholders being gathered, known, and incorporated into project / product scope or mitigated</td>
</tr>
<tr>
<td>CSF12* Stakeholder Classification</td>
<td>classification of stakeholders by power, legitimacy, urgency, threat potential, and/or cooperation potential</td>
</tr>
</tbody>
</table>

* CSFs are ordered according to the rankings in Table 7.14

Source: Researcher

Based on the findings of the study, the conclusions drawn to the study’s objectives, and the discussion of the study artefact (framework) above, the following implications and recommendations for the management of stakeholders in urban development projects in South Africa can be made.
8.4.1 Stakeholder communication

Meaningful consultation with all the stakeholders who are affected or who can affect the project scope and/or product scope is fundamental for a successful management of stakeholders in urban development projects in South Africa. The stakeholder-vs-project impasse in the two select urban development projects of this study, the Johannesburg BRT and the GFIP, can be attributed to poor, or non-existent, consultation.

With the benefit of hindsight and the empirical evidence collected from these two projects, it may be deduced that the apparent project failure – when considering all project objectives – of GFIP is related to a failure in stakeholder management, and specifically a failure in the fundamental principle of stakeholder management and communication. Also, important – and a glaring omission in the Johannesburg BRT project – was the lack of continuous up-to-date communication with some of the stakeholders.

Projects practitioners in urban development projects in South Africa should consult extensively with all the stakeholders and communicate on a continuous basis with all the stakeholders. Stakeholders and/or stakeholder groups are heterogeneous; and as a result, suitable and customary communication approaches (or plans) and media should be formulated or adopted. The communication (or information) needs of stakeholders and/or stakeholder groups differ and also their sophistication levels differ. As a result, the type of communicated information and media should be selected carefully. That is, communication should be a meaningful exercise – to inform, to engage, to relate, et cetera – it should not be done just for the sake of doing it.

8.4.2 Stakeholder participation

Consultative processes in urban development projects in South Africa should not be a formality – or about ticking off a checklist. Adequate stakeholder participation, particularly early in the project, in these consultative processes is crucial, if stakeholder management is to be successful in urban development projects in South Africa. It is incumbent on projects practitioners to encourage stakeholders to
participate in the consultative processes. Apparent inadequate or even lack of stakeholder participation in the Johannesburg BRT and GFIP contributed to the questionability of the success of these projects. Failure in ensuring that this principle is carried through usually backfires on the projects’ or projects practitioner’s bottom-line, when stakeholders who are affected by the project revolt – simply because they were not consulted, or they did not participate in the consultative processes.

8.4.3 Stakeholder identification
The principle of identifying stakeholders in urban development projects is primary, particularly because the effectiveness of the other stakeholder management principles could be compromised if the stakeholder register is incomplete. The gist of this principle is that one cannot manage what has not been identified. The rest of the stakeholder management principles are secondary and dependent on this one. Inadequate identification of stakeholders seems to have had some effect on the management of stakeholders in the Johannesburg BRT and GFIP.

It is therefore imperative, if stakeholder management in urban development projects in South Africa is to be successful, that all stakeholders are identified, listed, and known by projects practitioners before applying other stakeholder management principles.

8.4.4 Stakeholder relations
Like any other projects, urban development projects in South Africa, are not implemented in a vacuum, but usually, in already inhabited settings. As a result, it is inherent in the character of urban development projects that they will affect (or be affected by) people – their socio-political, socio-economic, and socio-ecological lives. It is, therefore, imperative that the relations between the project (or project’s practitioners) and people in the project’s setting (stakeholders) are cordial.

Also important, is that such relations should be open and frank and established on mutual trust and respect. It seems relations between the study’s two select case projects and some of the project stakeholders were non-existent. Perhaps that was
due to poor stakeholder identification or due to the disregard of some project stakeholders by projects practitioners. It would then seem as if that could have been detrimental to the overall success of these projects. Relations, particularly relations established on trust and respect, are built over time, and on the basis of numerous interactions; and this re-emphasises the meaningful consultation principle and other related ones.

8.4.5 Stakeholder education

Another important aspect of communication and consultative processes is to ensure that stakeholders understand, in simple terms, what the project is about, how would the project (or its outcome) affect them; or how they might affect the project (or its outcome). Stakeholders may not, at face value, appreciate the project’s implications and potential impact; therefore, the implications should be explained and simplified to meet the stakeholders’ sophistication levels.

Apparently inadequate, or even the lack of stakeholder education in the Johannesburg BRT and GFIP, contributed to the questionability of the success of these projects. Failure in ensuring that this principle is carried through has similar repercussions to those of lack of stakeholder participation in consultative processes. Stakeholders may revolt due to rumours on project impact, or when they realise, or experience how they are to be affected by the project (or its outcome). Lack of information or education by stakeholders could lead to protests by the stakeholders – if they feel that their wellbeing is being threatened by the project – and this could affect the projects’ or projects practitioner’s bottom-line and success.

8.4.6 Stakeholder risk

Risk is a fundamental aspect of every organisation and of all projects – since by virtue of being temporary, organisations bear inherent risks. As a result, risk management is a fundamental skill required in the management of projects. Because no aspect of projects is exempt from potential risks – the identification, analysis, monitoring, control, and mitigation of stakeholder related risks is an important principle in urban development project management. The same processes that are
undertaken in managing risk in other projects should be undertaken in the management of stakeholder related risks.

Because urban development projects are invasive in character – even when all the other stakeholder management principles are in place, it would be imprudent to neglect the potential risks that may arise as a result of affected stakeholders.

8.4.7 Stakeholder strategy
There is a need for well-thought and well-designed approaches or strategies in the management of stakeholders in urban development projects if stakeholder management is to be successful in urban development projects in South Africa. As is the case with communication, suitable stakeholder management strategies (or approaches) need be formulated (or adopted) and implemented for different stakeholders and/or stakeholder groups. One-size-fits-all approaches or strategies should be avoided, because usually, stakeholders and/or stakeholder groups are heterogeneous.

These approaches or strategies should be well-thought and well-planned; and adequate data are required as inputs into the formulation of different stakeholder management strategies for different stakeholders and/or stakeholder groups. The implementation and outputs of the other CSFs and principles of this framework provide input into stakeholder management strategies.

8.4.8 Stakeholder environment
As early as the conception stage of urban development projects in South Africa, it is vital that the socio-political, socio-economic, and socio-ecological environment be appreciated. This provides an appropriate premise for the implementation of the other CSFs and principles of this framework. Environmental impact assessments (EIAs) should go beyond the formality of check-list exercise and statutory compliance; instead, they should be an involved exercise that looks beyond the statutory prescripts.
With the same attitude and precision being devoted to the risk management process, the EIA process should scrutinise the socio-political, socio-economic, and socio-ecological impact of the project on its environment.

Like a risk register, each project should have an environment register with all environmental items (socio-political, socio-economic, and socio-ecological) being stated alongside stakeholders and/or stakeholder groups who may affect or be affected by the project. As already alluded to in the case of establishing trust and respect-grounded relations, urban development projects are invasive in character – they interfere with the socio-political, socio-economic, and socio-ecological equilibrium of the environment within which they are implemented.

Urban development projects are not implemented in a vacuum but, usually, in established community life, where socio-political, socio-economic, and socio-ecological dynamics are at play. It is crucial to appreciate these socio-political, socio-economic, and socio-ecological dynamics at conception (for planning purposes), but also on a continuous basis, as community life is dynamic. As in the case of managing risks, environmental dynamics need to be monitored, appreciated and accommodated (or mitigated) on a continuous basis throughout the lifecycle of an urban development project.

### 8.4.9 Stakeholder profiling

The profiling of stakeholders and/or stakeholder groups usually goes hand-in-hand with their identification. However, the profiling of stakeholders and/or stakeholder groups is afforded adequate attention if it is considered as a separate, but collaborative, factor and principle – if stakeholder management is to be successful in urban development projects in South Africa. This principle is about efforts (or processes) of understanding all stakeholders’ relevant aspects and characteristics pertaining to the project. It is basically about compiling a comprehensive stakeholder register for understanding stakeholders and/or stakeholder groups (among others, for communication, classification, and strategy formulation basis), and as a reference, whenever a need arises to acquire certain information about a particular stakeholder or stakeholder group.
8.4.10 Stakeholder recognition

It should first be acknowledged that there is a need for a paradigm shift with regard to the prevailing attitude towards stakeholders, particularly external stakeholders, and their management by projects practitioners. As has been empirically uncovered in this study (stakeholder interviews and projects practitioners’ survey), the lack of understanding (or acceptance) of the instrumentality of external stakeholders in the urban development projects’ success and the ethical responsibility towards external stakeholders needs to be taken seriously, and considered as an important factor, if stakeholder management is to be successful in urban development projects in South Africa.

As was discussed in 4.3, all stakeholders are legitimate; simply being accorded the label stakeholder, is reason enough to classify them as stakeholders and by implication legitimate, whether they are sponsors or custodians or external stakeholders on the periphery of urban development projects. Also, as was discussed in 4.4, all stakeholders have rights, and organisations (including temporary organisations in the form of urban development projects) are ethically obliged to acknowledge and respect these rights. Stakeholder recognition (recognition of all stakeholders as being legitimate and having rights, such as their wellbeing, dignity, and culture being respected) should be enshrined in the value statements and/or project charters of urban development projects, in order to demonstrate the attitude and the intent.

If stakeholder management is to be successful in urban development projects in South Africa, organisations and projects practitioners should adopt an attitude and value of recognising all stakeholders as being legitimate and having rights – such as their wellbeing, dignity, and culture being respected.

8.4.11 Stakeholder interest

The effort of collecting stakeholder requirements and their incorporation into project scope and/or product scope should be extended beyond internal stakeholders
(government, sponsor, funding institution, development agency), but should include external stakeholders (those whose socio-political, socio-economic, and socio-ecological wellbeing could be affected by the project scope and/or product scope) if stakeholder management in urban development projects in South Africa is to be successful.

In one of the select urban development projects of this study, the project was compelled to change the scope – when the project was well advanced – due to pressure from some external stakeholders. Such scope changes (late in the project or during the execution stage) impact baseline objectives. In some cases, this is deemed project failure because of the consequent extension of both the constrained budget and time. Stakeholder requirements (or interest in the project) could be better incorporated into the project scope and/or product scope if they are gathered and known early enough in the project lifecycle.

Even in cases where it is impractical or unfeasible or unviable to incorporate all stakeholder requirements into the scope, when gathered and known early enough, they can be mitigated adequately (through soliciting buy-in or some form of compensation) early enough to avoid (or minimise) disruption of project work once such work gets underway.

### 8.4.12 Stakeholder classification

Over and above the profiling and understanding of each stakeholder and/or stakeholder group requirements (or interest in the project), the classification of stakeholders and/or stakeholder groups by power, legitimacy, urgency, threat potential, and/or cooperation potential is crucial in determining appropriate stakeholder management approaches or strategies.

As already alluded in 8.4.7, the classification of stakeholders and/or stakeholder groups precedes the formulation or adoption of the stakeholder management approach or strategy. This is also an essential prerequisite to determining the communication approach and the requirements for different stakeholders and/or
stakeholder groups. This principle is, as a result, critical if stakeholder management is to be successful in urban development projects in South Africa.

8.5 VALUE OF THE STUDY
The value of the study is both managerial (practical) and scholarly (theoretical). The study arose from a research issue that is both practical and theoretical. The apparent challenges of stakeholder management nature in the execution of urban development projects in South Africa led to the conception of the study. However, the most compelling need for the study was the theoretical gap – in urban development theory, in projects theory, and particularly in stakeholder management theory – on the management of stakeholders in South African urban development projects.

8.5.1 Managerial contribution
The managerial contribution of the study was discussed in more detail in 8.4 – managerial implications and recommendations – where the constituents of the stakeholder management framework in urban development projects in South Africa were expounded on and their place within an improved stakeholder management practice in urban development projects in South Africa was substantiated. The empirical findings of the study have shown that the mean scores of the 12 CSFs by surveyed projects practitioners are in excess of 4 on the 5-point Likert scale. and therefore, these 12 CSFs (or their corresponding principles) are highly rated for incorporation into the framework, and in their relationship with the success of stakeholder management in urban development projects in South Africa.

Therefore, the managerial implications are that these 12 CSFs are critical in all aspects (planning, processes, activities, attitudes, et cetera) of managing stakeholders in urban development projects. The managerial recommendations are that these 12 CSFs (or their corresponding principles) be applied as guidelines in all aspects (planning, processes, activities, attitudes, et cetera) of managing stakeholders in urban development projects.
Through the empirical findings of this study it has been shown that the application of the proposed principles has the potential to improve the success of stakeholder management in urban development projects in South Africa – provided these are applied as CSFs; and as discussed in 6.2., stakeholder management CSFs for urban development projects were defined as: any knowledge, attitude, and activity that is absolutely essential for the management of project stakeholders and all stakeholder related matters within the confines of an urban development project. These factors improve project performance when they constitute a comprehensive and coherent list, when they are all in place, and when they are implemented collaboratively.

That is, the likelihood of stakeholder management success can be derived from all these factors being present and implemented. This study provides a comprehensive, coherent, and critical framework (list of 12 CSFs and their corresponding principles) that could help projects practitioners to improve their management of project stakeholders in urban development projects in South Africa.

Therefore, the managerial contribution of the study is an improved stakeholder management practice in urban development projects in South Africa, through the framework developed in this study and its application by projects practitioners. The framework could be employed as a planning tool, an assessment tool, and a reference tool. It could be used by projects practitioners and PMOs in the development of stakeholder management plans in urban development projects.

It may be used by PMOs in the assessment of projects practitioners’ performance in their management of stakeholders in urban development projects. It could be used by project consultants in the assessment of stakeholder management practice maturity levels by organisations, PMOs, and/or projects practitioners in urban development projects. It could also be used by projects practitioners as a reference in their management of stakeholders in urban development projects.

8.5.2 Theoretical contribution
Stakeholder management theory is a relatively young segment of management theory (Simmons & Lovegrove, 2005). According to Mwangi (2003: vi), stakeholder
management has gained increasing prominence over the last few years in a variety of contexts. This study has interrogated stakeholder management from the project management context, and specifically from the urban development project context – however, balancing it against and drawing comparisons from the articulation, implementation, practice, theorisation in other managerial contexts.

As a result, this study has contributed to the existing knowledge in the theory and practice of project management, particularly the management of stakeholders in project management. This study – its theoretical contribution – is located within the body of knowledge and literature, as expounded by fraternal scholars, in eight studies, as discussed in 6.3: (1) Yang et al. (2009a); (2) Yang et al. (2009b); (3) Yang et al. (2010); (4) Yang (2010a); (5) Nguyen et al. (2004); (6) Toor and Ogunlana (2009); (7) Toor and Ogunlana (2010); (8) Chileshe and Haupt (2005).

This study has contributed new knowledge in stakeholder management in urban development projects in at least three areas.

(a) The urban development dimension
All of the eight are studies on CSFs in construction projects; and four of them were conducted by the same scholars, and are specifically on the stakeholder management aspect of construction projects; that is, they all have a bias towards pure construction projects. Whereas this study is on urban development projects; that is, this study provides an added and important aspect to what has already appeared in the literature – by simply adding the urban development dimension (as discussed in Chapter 3) on stakeholder management in pure construction and infrastructure development projects.

Universal stakeholder management is based on the premise that organisations and projects (as temporary organisations), are sub-systems within a bigger system that has socio-political, socio-economic, socio-ecological implications. Consequently, managers should conduct their business with an outward view of their impact on the bigger system. However, these aspects of stakeholder management become central
in the urban development context – as opposed to their peripheral characteristic in
pure construction and infrastructure development projects.

Construction projects are about the erection of structures; and as a result, the view of
projects practitioners is limited to that: the structure. Whereas, on the other hand,
urban development projects have the “improvement of livelihood” and “economic
growth” aspect to them that project managers are, or should, be aware of and
operate under.

It is, therefore, on this basis that this study has uncovered unconventional
stakeholder management factors in projects like “stakeholder recognition”,
“stakeholder participation”, “stakeholder education”, and to some extent “stakeholder
environment” – whereas fraternal pure construction and infrastructure development
projects studies are devoid of such factors and concepts. Consequently, this study
has contributed new or enhanced knowledge by providing stakeholder management
success factors that also incorporate the urban development dimension.

(b) The South African context
The first seven of the eight studies were conducted in the Far East and Oceania
setting – Hong Kong, Vietnam, Thailand, and Australia – with only one conducted in
South Africa by UK-based scholars.

The type of South African urban development projects, even though they may have
similar objectives as elsewhere in the world, take on a unique objective informed
uniquely by the socio-political and socio-economic legacies, which are mainly about
redressing the ills of past political and economic policies of separation that, as
discussed in 2.5 and 2.6, rendered the urban settlements and infrastructure extremely
dysfunctional and unsustainable. Urban development projects in South
Africa also take on a unique character informed by contemporary socio-economic
realities.

The economic impact, positive or negative, of urban development projects, like the
Johannesburg BRT project on the informal mini-bus taxi industry. The economic
impact, positive or negative, of urban development projects, like the Gauteng Freeway Improvement project on the motorists and road-freight industry. These socio-political and socio-economic realities, in the South African context, as discussed in 2.6, at times lead to volatility and sensitivity in the process of implementing urban development projects. Therefore, the context of urban development projects in South Africa has an added dimension to it that may not be relevant in the Far East and Oceania.

Zwikael (2008: 389) has argued that circumstances vary among nations; and as a result, “project managers in different countries run projects of a similar nature, but in different ways”. Even Yang et al. (2010: 1) attest to this in advocating that “similar studies be conducted in other regions” by arguing that since their empirical study was conducted only in Hong Kong and Australia, further studies should be conducted in other regions to validate and compare with the findings of their research.

The one study that was conducted in South Africa was conducted on construction projects, and its goal was to develop a construction project model, whereas this study’s intention was to develop a stakeholder management framework for urban development projects. This study has, therefore, contributed to the body of knowledge by providing the South African context in stakeholder management in projects and specifically urban development projects.

(c) The framework criteria

The outcomes of the eight studies do not precisely meet the framework aspect and the comprehensiveness of the factors aspect of this study, that is, the framework as discussed in 8.4.

The outcomes of the first four of the eight studies are lists of CSFs for stakeholder management; however, they do not seem to meet the framework criteria for this study; and they are not comprehensive and coherent enough to meet the criteria of this study. The first four of the aforementioned studies constitute a cumulative research on stakeholder management in the construction industry by mostly the same set of scholars, at least three having participated in all four studies.
By their own admission, in their final and pinnacle study in this area, they argue that there are four research gaps that still need to be addressed – where the first two are that “a comprehensive list of the factors affecting the success of stakeholder management has yet to be fully developed”; and secondly, that “a systematic framework for stakeholder management needs to be further developed” (Yang et al., 2010: 9). This had also been stated by these scholars in their second research (Yang et al., 2009b: 169). In their first study they came up with a list of fifteen (15) CSFs. The first CSF they identified as “managing stakeholders with social responsibilities (economic, legal, environmental, and ethical)”. Although this CSF is in line with the stakeholder management imperative of understanding the stakeholder environment and recognising stakeholders, it has a corporate social responsibility (CSR) connotation.

As argued in 4.4.3, stakeholder management should not be reduced to corporate social responsibility – which is a separation fallacy – because it is more than that; instead it is about fusing corporate economics with ethical responsibility (Agle et al., 2008: 185). This argument is further strengthened by Freeman (2004: 231) in arguing that the validity of the stakeholder theory renders the CSR idea irrelevant and unnecessary because, in normative stakeholder management, stakeholders’ interests are integrated into the objectives and functions of the organisation (or of the project). And as a result, there is no room for CSR as a separate function.

Stakeholder theory is synonymous with stakeholder management (Freeman, 1994: 409). The other three of the aforementioned studies constitute the cumulative research on CSFs in construction projects – also by the same set of scholars; at least one has participated in all three studies, and another one in the last two studies. It must be clarified that these three studies were about CSFs for construction projects in their entirety – but not necessarily the stakeholder management discipline within the broader project management of construction projects.

In the first of the three studies, the outcome was a list of twenty (20) CSFs for construction projects (Nguyen et al., 2004: 408). In the second of the three studies, the outcome was a list of thirty-nine (39) CSFs for construction projects (Toor &
Ogunlana, 2009: 155). In the third of the three studies, the outcome was a list of nine (9) key performance indicators (KPIs) for construction projects. This study has, therefore, contributed theoretically by providing a framework constituted of comprehensive, coherent, and critical factors and principles that are essential in the management of stakeholders in urban development projects, particularly in the South African context. Thus, this study is a theoretical extension of the eight fraternal studies discussed.

8.5.3 Professional contribution
Over and above the managerial and theoretical contribution of the study, further recommendations to the custodians of the project management profession are advanced. All the project management professional associations, as the custodians of the profession, have a biased agenda towards the improvement in the practice of project management, and the aim of this study was precisely that. This is usually done through continuous evaluation and improvement of the content of practice media – such as documented practice standards, educational material, conference papers, and published articles.

The managerial and theoretical contributions, as discussed in 8.5.1 and 8.5.2, respectively, can thus be disseminated by using the stated media by the project management professional associations.

8.6 PROBLEMS AND LIMITATIONS OF THE STUDY
The major problem encountered in this study was the refusal by two project management associations, namely PMI-SA and PMSA, to give the research access to their membership, comprising projects practitioners, for the purpose of collecting research data. Even attempts by the study promoter to engage the leadership of these two project management associations yielded a negative result. This problem was a drawback, because the study was initially planned around surveying the heterogeneous membership of these two project management associations.
However, the ACPM, a project management association and the SACPCMP, a project management and built practitioners’ council, gave the research access to their membership, comprising projects practitioners mainly in the built environment, some of whom hold multiple memberships across various project management associations and the council.

As a result, the primary limitation of the study was the leaning of the respondent community towards the built environment project types. Even though the study was about urban development projects, and because of its infrastructure development nature it can be associated with built environment projects; however, the initial aim was to survey projects practitioners across the spectrum, and from wider project management disciplines.

The secondary limitation of the study was the low response rate of approximately 32 per cent. Even though this rate is acceptable and consistent with those of fraternal studies, this study could probably have had a much higher and more credible response rate and number of respondents. The refusal by PMI-SA and PMSA to give the research access to their membership for the purpose of collecting research data probably had a bearing on this limitation.

8.7 RECOMMENDATIONS FOR FUTURE RESEARCH

The primary objective of this study was to develop a stakeholder management framework to improve stakeholder management in urban development projects by investigating stakeholder management CSFs that have an influence on stakeholder management success in urban development projects in South Africa.

Firstly, it is recommended that the framework developed in this study – because of its unprecedented niche focus on the urban development type of projects – be tested in its current form, or somewhat customised form in other settings, where socio-political, socio-economic, and socio-ecological dynamics are similar or dissimilar to those endemic in the South African setting.
Secondly, it is recommended that the framework developed in this study – because of its unprecedented niche focus on the urban development type of projects – be tested in its current form, or somewhat customised form, in other project types (for example, I.T., mining, et cetera) within the South African context, where project dynamics differ from those endemic in urban development projects.

As discussed in 8.4, a stakeholder management framework is a constitution of principles and rules that provides a basis or an outline for the development of stakeholder management plans for individual and unique urban development projects. That is, it is neither a plan nor a model.

Thirdly, it is recommended that the framework developed in this study be researched a step further – and in more detail – with the aim of transforming it into a stakeholder management process model for urban development projects in South Africa. The Encarta dictionary defines a process as a series of activities directed towards a particular aim (Encarta, 2001: 1157). The Encarta dictionary also defines a model as a simplified version of something complex used to analyse and solve problems or make predictions – an example being a financial model (Encarta, 2001: 929).

A stakeholder management process model, in the proposed research, could be a standardised-process model that defines linked activities that comply with the principles of the framework developed in this study. The model should address stakeholder management process activities throughout the urban development project lifecycle – from the urban development project conception phase, through the planning phase, the execution phase, the monitoring and controlling phase, and the closing phase. It should recommend critical stakeholder management process activities for all project phases in an urban development project lifecycle.

8.8 FINAL CONCLUSIONS
This chapter has brought the study to its final conclusion. This chapter has provided an overview of the entire study, conclusions to the study objectives, managerial implications and recommendations on the improvement of stakeholder management
in urban development projects in South Africa, the value of the study to theory and practice, the limitations of the study, and further research proposals.

The most important contributions of the study are both managerial and theoretical. The most important managerial contribution of the study is that the framework of 12 CSFs (or their corresponding principles) developed, under the custodianship of PMOs, can be applied as guidelines in all aspects (planning, processes, activities, attitudes, et cetera) of managing stakeholders in urban development projects, in order to improve the management of stakeholders in urban development projects.

The most important theoretical contribution of the study is threefold. Firstly, the study has contributed new or enhanced knowledge by providing stakeholder management success factors that incorporate the urban development dimension. Secondly, the study has contributed to the body of knowledge by providing the South African context in stakeholder management in projects, and specifically in urban development projects. Lastly, the study has contributed theoretically by providing a framework constituted of comprehensive, coherent, and critical factors and principles that are essential in the management of stakeholders in urban development projects, particularly in the South African context.

Consequently, this study is a theoretical extension of the eight fraternal studies already discussed.
REFERENCE LIST


Menyashev, R. & Polishchuk, L. 2010. Social cohesion, civic culture, and urban development in Russia. Centre for Institutional Studies at the Higher School of Economics, Moscow.


Stretton, A. 2010. Identifying and classifying program / project stakeholders. PM World Today, XII(V).


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Stakeholder management for urban development projects in South Africa


Appendix i: STAKEHOLDER INTERVIEWS

i (a) Stakeholder interviews invitation letter

Date
Receiver’s address

Dear,

Invitation for participating in an interview

I am a Doctoral Research Student in the Faculty of Business and Economic Sciences at the Nelson Mandela Metropolitan University, Port Elizabeth. My research title is Stakeholder Management for Urban Development Projects in South Africa. A detailed understanding of the process and approaches of stakeholder management in practice constitutes the core subject of this research.

It is extremely important for me to obtain data about your understanding of and experience of stakeholder issues in the Johannesburg BRT project / Gauteng Freeway Improvement project as a type of an urban development project. In order for me to gain an in-depth insight of your understanding and experience, I would be very grateful if you could please make available about 30 to 60 minutes to allow me to conduct an interview. The time and date will depend on your availability. The interview will cover issues concerning your understanding and experience on the Johannesburg BRT project / Gauteng Freeway Improvement project. The interview will be recorded by way of audio recorder and/or written notes.

I assure you that any information kindly provided by you in the interview will be treated in the strictest confidence and used solely for academic purposes. Your participation will significantly contribute to the success of this research and your help would be highly appreciated. The outcomes of this research will be shared with you should you so wish. Should you have any queries, please contact me at 083-338-7845 or musa@mmbi.co.za. Thank you for your kind attention and I am looking forward to receiving your reply soon.

Yours sincerely,

Musa Mgemane
Doctoral Research Student
Faculty of Business and Economic Sciences
Nelson Mandela Metropolitan University
Port Elizabeth
i (b) Internal stakeholder interviews semi-structured questions

A. Questions on strategies / approaches / plans planned and utilised for stakeholder management in the two projects (get copies if possible).
   1. Did the project have documented stakeholder management plans?
      i. If yes, what did these plans entail?
      ii. If no, what were the reasons for not having documented stakeholder management plans?
   2. Were there any specific strategies or approaches adopted – whether documented or not – that were utilised in the management of project stakeholders?
      i. If yes, which ones?
      ii. If no, what were the reasons for not having specific strategies or approaches adopted for the management of stakeholders?

B. Project specific questions designed around the identified critical success factors.
   3. Were project stakeholders identified?
      i. If yes, how were they identified and who are the project stakeholders?
      ii. If no, what were the reasons for not identifying the project stakeholders?
   4. What is your understanding of project stakeholders? that is, who are the project stakeholders for the Johannesburg BRT project / the Gauteng Freeway Improvement project?
   5. Were project stakeholders consulted by the project management / project team at any stage of the project?
      i. If yes, at what stage of the project were they consulted?
      ii. If no, what were the reasons for not consulting the project stakeholders?

C. Questions on main challenges, their causes, and how they were mitigated.
   6. Were there any challenges that were experienced by the project that pertain to project stakeholders?
i. If yes, what were the causes of these challenges and how were they mitigated and was the project ever at risk because of stakeholder related challenges?

ii. If no, what do you think were the reasons for the project for not having experienced challenges pertaining to project stakeholders?

D. Obtain their opinions and experiences on critical factors.

7. What is your opinion on project stakeholders?

8. Are project stakeholders significant in the cause of executing the project?
   i. If yes, how significant are they?
   ii. If no, why are they not significant?

9. Do project stakeholders play any role in the project?
   i. If yes, which role(s) is/are played by project stakeholders in the project?
   ii. If no, what are the reasons for them not having any role in the project?

10. Specifically, do you have a view on whether project stakeholders have an effect on project success or failure?

B. Do you have any further comments concerning the role of stakeholders in urban development projects?

E. Thank you very much for your participation and time.
External stakeholder interviews semi-structured questions

A. Questions on issues around the project.
   1. What is your understanding of the Johannesburg BRT project / Gauteng Freeway Improvement project?
   2. Do you as an association think the Johannesburg BRT project / Gauteng Freeway Improvement project was necessary to be implemented?
      i. If yes, why do you think it was necessary for the project to be implemented?
      ii. If no, what are your reasons for thinking that it was not necessary for the project to be implemented?

B. Questions on consultations by and relations with the project team.
   3. Were you at any stage consulted as an association by the project team of the Johannesburg BRT project / Gauteng Freeway Improvement project?
      i. If yes, who consulted you as an association and at what stage of the project were you consulted and were consultations continuous?
   4. As an association how are your relations with the Johannesburg BRT project / Gauteng Freeway Improvement project team?
   5. Have these relations been always as you have just described them?
      i. If no, how were the relations before and what were the causes for the changes in relations with the Johannesburg BRT project / Gauteng Freeway Improvement project team?

C. Questions on the effect of stakeholder (protest) actions (these questions are only asked in cases where there was an indication of discontentment as a result of project implementation and/or poor stakeholder management).
   6. As you have indicated that the association was / is not happy with the Johannesburg BRT project / Gauteng Freeway Improvement project, did you as an association register your unhappiness about the project?
      i. If yes, how did you register your unhappiness about the project and what methods did you use and do you think your actions produce any results?
         a. If yes, what results did your actions produce?
         b. If no, what were the reasons that caused your actions not to produce any results?
ii. If no, what were your reasons for not registering your unhappiness about the project?

7. What do you think the project team should have done in the first place in order to avoid your unhappiness about the project?

D. In which way do you think that stakeholders can contribute to the success of urban development projects?

E. Do you have any other comments on the role of stakeholders in urban development projects?

F. Thank you very much for your participation and time.
Appendix ii: EXPERT INTERVIEWS

ii (a) Expert interviews invitation letter

Date
Receiver’s address

Dear,

Invitation for participating in an interview

I am a Doctoral Research Student in the Faculty of Business and Economic Sciences at the Nelson Mandela Metropolitan University, Port Elizabeth. My research title is Stakeholder Management for Urban Development Projects in South Africa. A detailed understanding of the process and approaches of stakeholder management in practice constitutes the core subject of this research.

It is extremely important for me to obtain data about your expert understanding of and/or expert experience of managing stakeholder issues in projects, and urban development projects in particular – some examples being the Johannesburg BRT project and the Gauteng Freeway Improvement project. In order for me to gain an in-depth insight of the topic, I would be very grateful if you could please make available about 30 to 60 minutes to allow me to conduct an interview. The time and date will depend on your availability. The interview will cover issues concerning your expert understanding and/or expert experience on the management of stakeholders in projects, and urban development projects in particular. The interview will be recorded by way of audio recorder and/or written notes.

I assure you that any information kindly provided by you in the interview will be treated in the strictest confidence and used solely for academic purposes. Your participation will significantly contribute to the success of this research and your help would be highly appreciated. The outcomes of this research will be shared with you should you so wish. Should you have any queries, please contact me at 083-338-7845 or musa@mmbi.co.za. Thank you for your kind attention and I am looking forward to receiving your reply soon.

Yours sincerely,

Musa Mgemane
Doctoral Research Student
Faculty of Business and Economic Sciences
Nelson Mandela Metropolitan University
Port Elizabeth
ii (b) Expert interviews semi-structured questions

A list of 12 critical success factors for stakeholder management in urban development projects was emailed to the experts prior to the interviews.

1. What are your views on the comprehensibility, criticality, and phrasing of these 12 critical success factors for stakeholder management in urban development projects?
2. In which way do you think that stakeholders can contribute to the success of urban development projects?
3. Do you have any further views concerning stakeholder influence and management in respect of the execution of projects?
4. Thank you very much for your participation and time.
Appendix iii:  QUESTIONNAIRE

iii (a) Online questionnaire introductory screen

Stakeholder Management for Urban Development Projects in South Africa

Thank you very much for your participation.

This questionnaire forms part of a research project, which studies the process and critical success factors for stakeholder management in urban development projects – some examples being the Johannesburg BRT project and the Gauteng Freeway Improvement project.

Stakeholder: any group or individuals who can affect or is affected by the achievement of the firm’s objectives. (Freeman, 1988: 115)

Project Stakeholders: persons or organisations who are actively involved in the project or whose interests may be positively or negatively affected by the performance or completion of the project. (PMBOK, 2008: 23)

Urban development project external stakeholders: individuals, communities, and any groups whose socio-political, socio-economic, and/or socio-ecological circumstances is impacted – positively or negatively – by the urban development project’s project scope and/or product scope. (Definition adopted for this study)
### iii (b) Online questionnaire

**Instructions:**

1. Please answer this questionnaire with reference to your understanding and/or experience about stakeholder management in urban development projects.

2. Please answer the questions by ticking the appropriate box.

#### Section A – Demographical Information

1. Your position

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<tr>
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<tr>
<td>Project Engineer</td>
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<tr>
<td>Project Architect</td>
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<tr>
<td>Programme Manager</td>
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<td>Portfolio Manager</td>
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2. Your project management experience (total years)

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<tr>
<td>2 – 4 years</td>
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<td>5 – 9 years</td>
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<td>10 – 19 years</td>
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<tr>
<td>20 – 29 years</td>
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<td>Over 30 years</td>
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</table>

3. Your highest project management qualification

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<td>Project Management Certificate / Diploma</td>
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4. Your highest (non project management) qualification

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</table>
5. Your project management certification (can tick more than one)

- None
- PRINCE2
- CSP / CSM
- PMP / PgMP
- API
- Other, please specify: .................................................................

6. Your project management association membership (can tick more than one)

- None
- ACPM
- APMSA
- PMSA
- PMI / PMI-SA
- SACPCMP
- Other, please specify: ..............................................................................

7. The project types you have worked in

- Urban Development
- Civil Work
- Information Technology
- Building Work
- Industrial
- Business Consulting
- Other, please specify: ..............................................................................

---

Section B – Stakeholder management practice

1. Which of the following statements best describes your stakeholder management practice?

- I have an established procedure for stakeholder management – formally documented
- I have an established procedure for stakeholder management – in my mind
- I have no established procedure for stakeholder management – formulated as required per project
- I do not practice stakeholder management
- Other, please specify: ..............................................................................
Section C – Key issues about stakeholder management

1. To what extent do you agree that the following individuals, communities, organisations, groups are stakeholders in urban development projects?

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<td>Business communities – informal</td>
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<td>1.8</td>
<td>Employees</td>
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<td>Environmentalists</td>
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<td>1.10</td>
<td>Financiers / sponsors</td>
<td></td>
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<tr>
<td>1.11</td>
<td>Governments – national / provincial / local</td>
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<tr>
<td>1.12</td>
<td>Labour unions</td>
<td></td>
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<td>1.13</td>
<td>Local communities</td>
<td></td>
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<td>1.14</td>
<td>Media</td>
<td></td>
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<tr>
<td>1.15</td>
<td>Motorists</td>
<td></td>
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<tr>
<td>1.16</td>
<td>Non-governmental organisations</td>
<td></td>
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<tr>
<td>1.17</td>
<td>Political parties</td>
<td></td>
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</tr>
<tr>
<td>1.18</td>
<td>Special interest groups</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.19</td>
<td>Others, please specify:</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
2. To what extent do you agree that the following issues about stakeholders should be addressed?

<table>
<thead>
<tr>
<th>2.1 Their commitments to the project</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2 Their constraints about the project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Their interests in the project</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.4 Their needs in the project</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.5 Their rights in the project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.6 Other, please specify:</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

3. Please indicate which two of these issues you regard as being most and least important (one tick per column please)

<table>
<thead>
<tr>
<th>3.1 Their commitments to the project</th>
<th>Least Important</th>
<th>Most Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2 Their constraints about the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 Their interests in the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Their needs in the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5 Their rights in the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.6 Other, please specify:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. To what extent do you agree that the following factors are important in your decision making when there are stakeholder related problems in a project?

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>The stakeholders’ influence to the project success</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4.2</td>
<td>The urgency of the stakeholders’ interest</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4.3</td>
<td>The legitimacy of the stakeholders’ interest</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4.4</td>
<td>The proximity of the stakeholders to the project</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4.5</td>
<td>The directives from higher authority / project sponsor</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4.6</td>
<td>Other, please specify:</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

5. To what extent do you agree with the following classification criteria for stakeholder behaviour?

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Potential to be cooperative</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>5.2</td>
<td>Potential to be a threat</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>5.3</td>
<td>Other, please specify:</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
## Section D – Critical success factors for stakeholder management in urban development

1. To what extent do you agree that the following factors are critically important to the success of stakeholder management in urban development projects?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1</strong> Stakeholder Environment</td>
<td>understanding stakeholder socio-political, socio-economic, and socio-ecological environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.2</strong> Stakeholder Recognition</td>
<td>recognition of all stakeholders as being legitimate and having rights with their wellbeing, dignity, and culture being respected</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>1.3</strong> Stakeholder Identification</td>
<td>identifying all stakeholders ensuring that all are listed and known</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>1.4</strong> Stakeholder Profiling</td>
<td>profiling stakeholders to understand all their relevant aspects and characteristics pertaining to the project</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>1.5</strong> Stakeholder Classification</td>
<td>classification of stakeholders by power, legitimacy, urgency, threat potential, and/or cooperation potential</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>1.6</strong> Stakeholder Interest</td>
<td>interests or requirements of all stakeholders being gathered, known, and incorporated into project / product scope or mitigated</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td><strong>1.7</strong> Stakeholder Communication</td>
<td>consultation and continuous up-to-date communication with all stakeholders</td>
<td></td>
<td></td>
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<tr>
<td><strong>1.8</strong> Stakeholder Participation</td>
<td>encouraging early participation of stakeholders in consultative processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.9</strong> Stakeholder Education</td>
<td>bringing (explaining and simplifying) the project implications (potential impact) to stakeholders’ sophistication levels</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>1.10</strong> Stakeholder Risk</td>
<td>identification, analysis, monitoring, control, and mitigation of stakeholder related risks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.11</strong> Stakeholder Relations</td>
<td>open and frank stakeholder relations established on mutual trust and respect</td>
<td></td>
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<tr>
<td><strong>1.12</strong> Stakeholder Strategy</td>
<td>formulating and executing appropriate stakeholder management strategies for all stakeholder groups</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
2. To what extent do you agree that stakeholders do affect project success?

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

3. How would you define the term “project success”?

Section E – Remarks about the questionnaire

1. Overall, do you think the issues in this questionnaire have adequately covered all aspects of stakeholder management in urban development projects?

☐ Yes
☐ No Please specify: ____________________________________________

2. Is there anything more regarding the issue of stakeholder management that you would like to contribute?

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

OPTIONAL: if you wish to have a copy of the report on research findings, please provide your contact details.

Name: ___________________________________________________________

Organisation: ____________________________________________________

Address: _________________________________________________________

Telephone No: ____________________________________________________

Email Address: ___________________________________________________

Thank you very much for your participation and time