

# A REVIEW-EFFECTS OF STAKEHOLDER MANAGEMENT IN REAL ESTATE

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**Abstract:** Proper Stakeholder Management in Real Estate Industry plays a very vital role in achieving the project success along with many other factors such as scope, time and cost. Several Stakeholders are involved at different phases of project in real estate. The aim of this research paper is to identify the key stakeholders involved at different phases of the project identify their roles and responsibilities and also identify the different attributes of Stakeholders and the potential impact they can have on the decision making process. The purpose of this paper is to determine the factors affecting the project success in relation to Client, Project Manager, Design Team and the Contractor. Hence it will be useful in determining which factors impact the most in project success.

This paper also aims to provide a better understanding of Stakeholder Management Process, factors that affect Stakeholders in achieving project success in real estate. The positive and negative impact the Stakeholders have on the project and therefore the efficient management of Stakeholders in real estate projects.

**IndexTerms** - Stakeholder Management process, Stakeholders, Real Estate, Success factors.

## I. INTRODUCTION

- ❖ Stakeholder was first defined in the year 1963 internal memorandum at the Stanford Research Institute as “groups without whose support the organization would cease to exist”. The theory was later developed by R. Edward Freeman in the 1980’s which has gained wide acceptance in business practice and in theories relating to strategic management, corporate governance, business purpose and corporate social responsibility (CSR)
- ❖ A **Stakeholder** may be referred to any group, individual, corporate, organization, member, or system that affect or can be affected by or perceive itself to be affected by an organizations actions  
**Project Stakeholder** is defined as a person, group or organization with an interest in a project.

**Stakeholder Management** is a critical component to the successful delivery of any project, programme or an activity. Stakeholder management comprises of four steps

1. Identify, recognize and acknowledge stakeholder
2. Determine their influence and interest
3. Establish communication management plan
4. Influencing and engaging stakeholder

According to PMBOK (Project Management Body of Knowledge) a stakeholder is anyone who has an interest in the project or will be affected by its deliverable or output.

The Project Stakeholder Management has following four processes

1. **Identify Stakeholders-** The first step to ensure that all the stakeholders of a project is satisfied is to identify them. Identification process is the fundamental step for the project existence. The PMBOK specifies only the Project Charter in the Project Initiation process group. In other words this process identifies the major stakeholders of the project. In addition to the major stakeholders there are also the minor stakeholders who do not seem significant but can create project issues relative to their financial stake in it.
2. **Plan Stakeholder Engagement-** It is the component of the overall Project Management Plan and is created to specify how the project will interact with each stakeholder . It identifies and analyses two components for each stakeholder the first is the level of interest the stakeholder has in the project and the second is their ability to control it. Also the stakeholder technical knowledge plays a major factor in the planning process.
3. **Manage Stakeholder Engagement-** In this process there is a constant communication made by the project managers to the Stakeholders in order to ensure that their needs are meet. Stakeholder interactions are executed according to Stakeholder Management Plan and changes to the plan are made as necessary.
4. **Monitor Stakeholder Engagement-** It is the Monitoring and Controlling process that must be executed on regular time interval throughout the process in order to assess the effectiveness of the Stakeholder Management

Plan. This process could include reviewing stakeholder communications, gathering information about them or even asking them directly how they feel about the project or their specific concern.

## II LITERATURE REVIEW

Sno	RESEACHER	TOPIC	RESEARCH WORK
1	Jing Yang	Exploring Critical Success Factors for Stakeholder Management in Construction Projects	15 CSFs were identified through literature reviews and by interviews and questionnaire surveys.
2	Saipol Bari	A Review on the issues and strategies of stakeholder in construction industry	Issues regarding stakeholder strategies and managing stakeholders are identified and disused in this paper.
3	Jurbe Molwus and Bilge Erdo Bilge Erdogan	Study of the current practices of stakeholder management in construction projects.	Internal stakeholder collaboration in carrying out stakeholder management, stakeholder dynamics and the use of available techniques for stakeholder engagement.
4	Xiaolong Gan and Lei GG Guo	A framework for Stakeholder Analysis in Construction Projects.	A framework for stakeholder analysis mainly included three dimensions: interest, contribution and power. Two perspectives were provided for stakeholder analysis: importance and influence.
5	S.B Ekung and E .Okonkwo	Factors Influencing Construction Stakeholders Engagement Outcome in Nigeria	Qualitative and quantitative data was collected through interviews and questionnaire survey. 32 factors were highlighted as the key for stakeholder engagement process.
6	Stefan Olander	External Stakeholder Management in Construction process	The main tools that are suggested in this study are the stakeholder map and the Power interest grid.
7	Andrea Caputo	Systematic Stakeholder Management for real estate development projects.	Identify the stakeholders, estimate their needs and interests, analyse the potential impact these can have on decision about project.
8	Niu Jing min, Thomas G. Lechler and Jiang Jun Long	Success Criteria Framework for real estate Project.	The framework provided in the literature can be used to evaluate project status and forecast the result at every stage of the project.
9	Goodenough D.Oppong And Albert P.C. Chan	Key Performance Indicators of Stakeholder Management in Construction Projects.	10 key performance indicators that is essential for efficient stakeholder management process.
10	Ramakrishna Nallathiga	Determinants of Success of Real Estate Projects.	A structured questionnaire is applied to find the factors determining the success in relation to Client, Consultant and Contractor.
11	Salah Hammad	Investigating the Stakeholder Management in Construction projects in the Gaza strip	The main aim of this research paper is to identify the role of stakeholders in construction projects in the Gaza strip. A questionnaire survey was carried out.
12	P. Ganesh Prabhu	Study on the influence of Stakeholder in Construction Industry	The main objective of this literature is to study one of the important components of Stakeholder Management that is Stakeholder Analysis
13	Dr. Omar El Norway and Dr. Ibrahim Mahdi	Developing Methodology for Stakeholder Management to achieve Project Success	30 factors were elected for conducting the research those factors was summed into six groups. An online survey was conducted to 136 selected professionals and 19 surveys were handed manually.
14	S.Nauman and MSS Piracha	Project Stakeholder Management- a developing country prospective	This paper aims to identify the most significant project stakeholders and investigate the relationship between them. Results demonstrated that the clients and end users are ranked as the most important project stakeholders.

15	Mahmoud Rajablu	Managing for Stakeholders- The Role of Stakeholder based Management in Project Success	Six key influential attributes to examine their direct and mediating effect on project success. The quantitative survey data are analysed using SEM statistical techniques and procedures to produce research result.
16	Alice Frida Umumararungu	Influence of Stakeholder Involvement on successful implementation of Housing Projects in Rwanda	This study was achieved by use of three specific objectives. A sample size of 105 that includes house buyers, house developers, and Rwanda housing Authority Staff participated in the study.
17	J.Scott Sutterfield, Shawnta S.Friday	A Case Study of Project and Stakeholder Management	This paper identifies the potential causes of the project failure. Therefore it provides a project stakeholder management strategy framework to facilitate better decision making on the part of the project managers
18	Maame Aba Wusuah Affare	An Assessment of Project Communication Management on Construction Projects in Ghana	The aim of the paper is to establish the importance of communication system in the Ghanaian Construction Industry.
19	Richard Kwame Ankukumah	The Impact of Poor Stakeholders Involvement in the Planning and Implementation of Construction Projects	The aim of the study was to identify the negative impact of stakeholders involvement in the project. Structured questionnaire was used to gather information from the respondents in order to obtain data for analysis of their views.
20	Aki Aapaoja, Harri Haapasalo	A Framework for Stakeholder Identification and Classification in Construction Projects.	This paper aims in introducing a framework to assist the project managers in facilitating stakeholder management and requirement especially in the project initiation phase.
21	Menoka Bal, David Bryde Damian Fearon	Stakeholder Engagement: Achieving Sustainability in the Construction Sector	This paper aims to develop a systematic approach to engage with stakeholders with high salience in relation to sustainability. The data suggests six steps to a stakeholder engagement process
22	Jorbe Joseph Molwus	Stakeholder Management in Construction Projects: A Life Cycle Based Framework	A life cycle based framework for stakeholder management in construction projects is developed using Integrated Definition0 (IDEF0) modelling.
23	Samuel Lloyd Fumme	Studies on Exploring Critical Success Factors for Stakeholders Management in Construction Projects in	The paper aims to determine the critical success factors for construction projects in relation to project managers, client, contractor etc. Questionnaire survey was carried out for analysis of data.

### III RESEARCH METHODOLOGY



### IV. CONCLUSION

This paper aims to identify the effect of Stakeholders on project success in real estate industry. This study aims to define the roles and responsibilities of different Stakeholders involved in the project. Thus the paper will help to have a better understanding of the influence the stakeholders have on the real estate sector. The study aims to maximize the benefits that are derived from Stakeholders while minimizing the possible downside that arises with them. The study also helps to identify the most common factors that affect the stakeholder management process in the real estate.

The study aims to identify the key stakeholders involved at different phases of the project for timely completion of the project and within budget. Thus it can be concluded that Stakeholders play a very important role in real estate industry and they should be properly managed in order to reduce the delay in completion of project.

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