STAKEHOLDER MANAGEMENT IN UNIVERSITY FUNDRAISING PROJECTS

A Research Report presented to the
Department of Construction Economics and Management

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In partial fulfilment of the requirements for the
Master of Science in Project Management (CON 5023Z)

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ACKNOWLEDGEMENTS

All praise and glory to my Heavenly Father who has given me the strength, courage and perseverance to complete this Masters degree.

To my parents – daddy (in heaven), thank you always pushing me to attain my best academically, and thank you for saying no when I wanted to drop out of First Year at UCT in 1988! Thank you mommy for being the strongest person I know, and teaching me never to give up, even when things look tough.

To my beautiful daughters – Megan and Mia-Rose, thank you for your patience, love and care. I wonder what are we going to do with all this spare time now on the weekend.

To my brilliant friend, Ibtisaam Lilla – thank you for all your help and support, and for being such a fantastic study buddy during this programme.

To my wonderful husband, Mark – this all began the week before we got married, and you're still here! Thank you for your constant love and support, you will never know how much it has meant to me.

To my supervisor, Mark Massyn, thank you so much for all your advice, immense patience and guidance throughout.

ABSTRACT

The systematic, downward trend in state funding support to public higher education has resulted in many higher education institutions undertaking large-scale, co-ordinated fundraising projects or capital campaigns in order to increase third stream income. There is a dearth of research which explores stakeholder management – one of the key knowledge areas in project management – in the public higher education fundraising environment. This research study set out to identify the issues which need to be considered when developing a stakeholder management strategy for fundraising projects at a South African public higher education institution. A qualitative, case study approach was adopted, with semi-structured interviews used to obtain the data. Thematic analysis was used for identifying and analysing patterns or themes within data. The University of Cape Town (UCT) was selected as the case. The research identified that there are a number and variety of stakeholders in the UCT fundraising environment. This could give rise to project complexity affecting the stakeholder landscape. The research highlighted there was a main focus on internal stakeholders, as well as certain external stakeholders necessary for providing third stream income to the university. Some of the strategies used to manage stakeholders were also those identified as critical success factors for effective stakeholder management. The research highlighted the importance of relationship management and stewardship as stakeholder management strategies, which supports the normative approach of stakeholder management. The study found that internal stakeholders possibly cause uncertainty in projects, and hence stakeholder management strategies could mitigate against the possible negative effects.

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ABBREVIATIONS:

HEI: HIGHER EDUCATION INSTITUTION

CSF: CRITICAL SUCCESS FACTOR

UCT: UNIVERSITY OF CAPE TOWN

PS: PROJECT SUCCESS

PLC: PROJECT LIFE CYCLE

1 INTRODUCTION TO THE RESEARCH REPORT

1.1 BACKGROUND TO THE STUDY

1.1.1 The higher education landscape

In the USA following World War II, the higher education landscape thrived. As a result, this era was called the ‘golden age’, during which the state wholly funded public higher education institutions (HEIs). From the 1970s onwards, the situation changed dramatically, and state funding systematically declined (Cook, 1997). Similarly, the United Kingdom experienced a golden age in higher education during the post-World War II period (Carpentier, 2012). However, the oil crisis of 1973 lead to a dramatic, systematic drop in public funding, and the introduction of “reforms” shifted the burden of paying for higher education from the taxpayer to the university graduate, and since the mid-2000s, universities in the UK have begun to charge tuition fees (Browne, 2010; Bou-Habib, 2010). At the same time, the UK government also began to put increasing pressure on universities to increase income (Pilbeam, 2006).

In South Africa, the higher education landscape has been characterised by three distinct eras, viz. ‘the age of segregation’ (1910-1948), the ‘age of apartheid’ (1948-1994) and from 1994 onwards, the ‘post-apartheid’ era (Kissack and Enslin, 2003). The latter era has seen a massive effort to reverse apartheid inequalities, most notably due to robust legislative changes (Gultig, 2000).

Wangenge-Ouma and Cloete (2008) argued that the funding crisis in the South African higher education system is the greatest risk factor for reversing these positive strides. The #FeesMustFall movement, which commenced in 2015, lead to a wave of mass student protests which highlighted the funding crisis in higher education and in particular, the unsustainability of current funding models (Pillay, 2016). The South African government has historically always been the largest and most important contributor of critical core operating funding to public HEIs, providing 30-65% of the total income of universities (Wangenge-Ouma and Cloete, 2008).

The systematic decline in government subsidy ("first stream income") has had various deleterious consequences for HEIs. The inadequate funding from the government for capital projects, in particular, has forced many HEIs to fund capital development from their own operating budgets or through loans. The greatest impact of declining government funding, however, has been on tuition fees ("second stream income"), which have had to increase markedly to compensate for the decline in government income (De Villiers and Steyn, 2006).

Other than tuition fees, public HEIs have also had to utilise other sources of non-government revenue ("third stream income") to compensate for the decline in government subsidy revenue. The sources of third stream income include investment income, donor funding, as well as research grants and sales of goods and services (Ntshoe and de Villiers, 2013).

1.1.2 Mitigating the higher education funding crisis: capital campaigns

In response to significantly reduced government funding, many American higher education institutions launched massive, co-ordinated fundraising projects, called 'capital campaigns', in an effort to boost their third stream income. These commenced around the time when the golden era in higher education ended i.e. around the mid-1970s. By the 1980s, large-scale capital campaigns in the USA became the norm so that by the late 1980s, many American universities and colleges were fundraising to raise more than US$100 million each (Cook, 1997).

Opportunities for reversing the trend in declining government subsidy from the South African government for higher education remain limited. The annual raising of tuition fees, which has been one of the main strategies universities have resorted to in order to mitigate against declining state funding, has not been without controversy. In 2015 things came to a head with the #FeesMustFall protests (Pillay, 2016). Despite the government's announcement of free higher education towards the end of 2017, it is still unclear how free education will be implemented, and also critically, the financial sustainability of the model.

Over the last decade, South African universities have slowly begun to emulate their American counterparts, by commencing large-scale, co-ordinated fundraising campaigns in an effort to boost third stream income.

A capital campaign encompasses intense efforts to build the financial assets of an institution in a specified amount of time (Gearhart, 1995; Nehls, 2012). Historically, most capital campaigns have focussed on the goal of fundraising for capital projects, e.g. the construction or renovation of buildings or facilities. However, more recently the term has been used less strictly, so that besides capital (building) projects, funds are also raised for endowments, programmes, and operations simultaneously (Nehls, 2012).

The most common characteristics of capital campaigns are that they have a defined set of needs that determine the purpose of the campaign; they have defined financial goals; and they have clear timespans for meeting the goal (Gearhart, 1995). The Project Management Body of Knowledge (PMBOK® Guide) defines a project as "a temporary endeavour undertaken to create a unique product, service or result" (Project Management Institute, 2013, pg. 3). Capital campaigns therefore meet the broad definition of a project and can therefore be defined as a project.

1.1.3 The role of stakeholders

In the USA capital campaigns have essentially become the norm as a means to raising third stream income for universities. Satterwhite and Cedja (2004) highlighted the complexity of the university capital campaign, due to the number and nature of the stakeholders involved. In many American university capital campaigns, the University Presidents (Nehls, 2012), deans (Bradford Hodson, 2010) and volunteers (Lysakowski, 2002) are regarded as key stakeholders ensuring the successful completion of capital campaigns.

The PMBOK® Guide states that:

> "a stakeholder is an individual, group or organisation who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project. Stakeholders may be actively involved in the project

> or have interests that may be positively or negatively affected by the performance or completion of the project" (PMI, 2013, pg. 30).

Jergeas *et al.* (2000) stressed that it is ultimately stakeholders who determine whether the project is a success. Karlsen (2002) noted that stakeholders play a major role in project implementation. However, they can create both problems and uncertainty in projects. Similarly, Ward and Chapman (2008) found that stakeholders are a foremost source of uncertainty in projects, with the uncertainty being comprised of who the relevant stakeholders are, their ability to influence a project, and their motives with respect to how their actions affect project activity.

The PMBOK® Guide lists project stakeholder management as one of one of the ten 'knowledge areas' in project management and

> "… includes the processes required to identify the people, groups or organisations that could impact or be impacted by the project, to analyse stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and executions" (PMI, 2013, pg. 391).

The seminal work of Pinto and Slevin (1988) elevated the role that stakeholders play in project success, with subsequent research confirming stakeholder management as a key contributing factor leading to the success or failure of a project (Pinto and Slevin, 1988; Karlsen, 2002; Amoatey *et al*., 2017; Achterkamp and Vos, 2008; Bourne and Walker, 2008; Eskerod *et al*., 2015).

1.1.4 Critical success factors in stakeholder management

Stakeholder management research has found that there are several critical success factors (CSFs) for the successful implementation of stakeholder management (Karlsen *et al*., 2008; Jergeas *et al.*, 2000; Yang *et al*., 2009; Amoatey *et al*., 2017; Molwus *et al*., 2017). Some of the key CSFs identified in the literature include: managing stakeholders with economic, legal, environmental, ethical and social responsibilities (Yang *et al*., 2009); communicating with and engaging stakeholders properly and frequently (Pinto and Slevin, 1988; Karlsen, 2002; Yang *et al*., 2009;

Amoatey *et al*., 2017); identifying stakeholders properly (Frooman, 1999; Yang *et al*., 2009; Amoatey *et al*., 2017); identifying and understanding stakeholders' areas of interests and needs in the project (Yang *et al*., 2009; Molwus *et al*., 2017); keeping and promoting good relationships (Karlsen *et al*., 2008; Yang *et al*., 2009; Molwus *et al*., 2017; Amoatey *et al*., 2017); and formulating a clear project mission (Pinto and Slevin, 1988; Amoatey *et al*., 2017; Molwus *et al*., 2017).

1.2 RESEARCH FOCUS

The systematic downward trend in government funding support to public higher education has increased pressure on HEIs to reduce dependency on first stream income and devise ways to increase revenue for sustaining operations. Therefore, many HEIs invest in Development (fundraising) Offices, which undertake large-scale, co-ordinated fundraising projects or campaigns as a means to increase third stream income to offset operational costs of strategic initiatives (Daly, 2013).

Capital campaigns are projects and hence, to ensure successful outcomes, should be managed according to project management principles. Stakeholder management is one of the key knowledge areas in project management. Despite the paucity of research on capital campaigns within the context of project management, there is some research, mostly US-based, which highlight some of the key success factors of especially USA-based university fundraising campaigns, with particular reference to the roles of key stakeholders (Bradford Hodson, 2010; Satterwhite and Cedja, 2004; Wilson, 2015).

An effective stakeholder management process includes stakeholder identification, stakeholder analysis, and stakeholder management strategies (Savage *et al*. 1991). Furthermore, effective stakeholder management for project success necessitates an understanding of the critical success factors for stakeholder management (Yang *et al*., 2009, 2010; Amoatey *et al.*, 2017; Molwus *et al.*, 2017). While much of the available research have been done in the construction sector, there is a dearth of research which explores stakeholder management in HEI fundraising environment.

1.3 PROBLEM STATEMENT

There is a lack of information on the factors and issues to be considered when developing a stakeholder management strategy for university fundraising projects.

1.4 RESEARCH QUESTION

What are the factors and issues that need to be considered for developing a stakeholder management strategy for university fundraising projects?

1.5 RESEARCH PROPOSITION

A stakeholder management strategy that addresses factors such as the roles, influence and critical success factors can improve the management of university fundraising projects.

1.6 RESEARCH AIM

Identify the issues to be considered when developing a stakeholder management strategy for fundraising projects at a South African public higher education institution.

1.7 RESEARCH OBJECTIVES

- Identify the key stakeholders involved in fundraising projects at a South African public higher education institution;
- Classify the key stakeholders involved in fundraising projects at a South African public higher education institution;
- Determine the importance of stakeholders involved in fundraising projects at a South African public higher education institution across the project life cycle;
- Identify strategies used when dealing with stakeholders involved in fundraising projects at a South African public higher education institution, and
- Identify the critical success factors for effective stakeholder management at a South African public higher education institution.

1.8 RESEARCH METHODOLOGY

A literature review was conducted using peer reviewed journal papers on project stakeholder management, and the critical success factors for effective stakeholder management were identified. A qualitative, case study approach was adopted, with semi-structured interviews used to obtain the data. Thereafter thematic data analysis was conducted.

1.9 SCOPE AND LIMITATIONS OF RESEARCH

The scope of the project involves interviewing stakeholders currently involved in fundraising projects at a South African higher education institution.

The case study was limited to a single higher education institution and therefore, some of the findings could be specific to the institution studied and might not be generalised to other higher education institutions.

1.10 STRUCTURE OF RESEARCH REPORT

The research report is structured as follows: Chapter 1 provides a background to the research study and outlines the problem statement, research question and objectives; Chapter 2 summarises the literature; Chapter 3 provides an overview of the research approach and methodology used in the study; Chapter 4 provides an analysis of the data and discussion of the findings, and finally, Chapter 5 comprises a summary of the research report and conclusions, as well as areas for possible future research.

2 LITERATURE REVIEW

2.1 INTRODUCTION

Chapter 2 provides an overview of the literature, and commences with a high-level overview of the role of higher education, followed by a discussion on the funding challenges in higher education. The role of capital (fundraising) campaigns as a mitigating measure in the higher education funding crisis is discussed, with a focus on the role of stakeholders as a key success factor in capital campaigns. Capital campaigns are projects and hence, in order to be successful, should be managed according to project management principles. Stakeholder management is one of the key knowledge areas in project management and is a key determinant of project success. The bulk of the chapter focusses on a discussion of the literature on stakeholder theory, including the role of stakeholder management in higher education. The chapter ends with discussing the critical success factors for effective stakeholder management.

2.2 FUNDING CHALLENGES IN HIGHER EDUCATION

Higher education is a key sector in the development of Africa (Teferra and Altbach, 2004). According to Fisher and Scott (2011), the role of higher education is to address the critical skills shortage by producing qualified graduates and generating research and innovation to enhance the innovative capacity of the economy. In many African countries, demand for higher education is growing, however financial resources allocated towards higher education are declining as a result of inflation, devaluation of currency exchange, economic and political turmoil, and structural adjustment programmes (Teferra and Altbach, 2004).

In South Africa, despite significant progress in expanding access since 1994, higher education remains a “low participation-high attrition” system (Fisher and Scott, 2011). In South Africa, funding from the government – the so-called “first stream income” – has historically been the greatest source of critical core operating funding to higher education institutions (HEIs), ranging from 30-65% of total income (Wangenge-Ouma

and Cloete, 2008). However, the post-apartheid era has seen the systematic decline in financial support to HEIs from the government, resulting in various adverse consequences for HEIs, with the greatest negative effect being on tuition fees ("second stream income"). As a consequence, tuition fees have had to increase markedly to compensate for the systematic reduction in government funding (De Villiers and Steyn, 2006).

Since 2015, higher education fees and the affordability of higher education have increasingly been in the spotlight with the "#FeesMustFall" protests and the demand from students for free quality higher education (Pillay, 2016). Concerns around the financial viability and sustainability of the higher education funding model have been exacerbated with the government's announcement of free higher education in December 2017 (Areff and Spies, 2017) It is still unclear how free education will be financially sustained in the long-term (Xala, 2018).

Even wealthy, industrialised nations face financial challenges in higher education. In both the USA and UK after World War II, the higher education landscape thrived (the "golden era") as funding from the state was plentiful; however, from the 1970s onwards (the "era of uncertainty") the landscape started to change, as the availability of state funding dropped significantly (Cook, 1997; Carpentier, 2012). By the mid-2000s in the UK, higher education "reforms" saw universities charging students tuition fees for the first time (Browne, 2010).

2.3 CAPITAL CAMPAIGNS

2.3.1 Capital campaigns to mitigate funding challenges

In response to significantly reduced state funding, many American HEIs launched large-scale, co-ordinated fundraising initiatives called capital campaigns. These commenced around the time the golden era in higher education ended (Cook, 1997). Throughout the 1970s and 1980s, increasing numbers of institutions, including expanding numbers of public institutions, conducted capital campaigns. By the late 1980s, more than 60 American colleges and universities were attempting to raise $100

million or more within five years, and by 1990, goals of $1 billion, though not commonplace, were no longer rare (Cook 1997).

According to Nehls (2012, p. 90): “Comprehensive capital campaigns are the principal fundraising endeavors for institutions of higher education.” Over the last two decades, the pressure to expand the revenue base within the South African higher education sector has been increasing, and South African universities have started to emulate the examples set by American and UK universities, with the introduction of major fundraising campaigns in an effort to boost third stream income.

A capital campaign is defined as "an intense effort to raise funds from the private sector through multi-year pledge commitments within a specified period of time” (Gearhart, 1995, pg 4). A capital campaign is divided into phases: quiet (leadership) phase and public phase. During the quiet phase, major donors, board members, and other high-potential donors are solicited for gifts to launch the campaign. The public phase is launched once 40-60% of the gifts are raised (Lindahl, 2008). Historically, capital campaigns were launched only for brick-and-mortar programs; however, the typical capital campaign includes all philanthropy such as annual gifts, brick-and-mortar gifts, endowment gifts, program support gifts, and research funds (Gearhart, 1995).

In a capital campaign the institution makes a statement that raising philanthropic support is a top priority, and that it is bringing together key stakeholders in an all-out effort to garner private financial support (Gearhart, 1995).

> “…Originally discrete events, capital campaigns have become a constant state for some Institutions; they serve as a way to describe, package, and communicate the next round of searching for private gifts as well as a vehicle for involving the campus community in the establishment of priorities and the solicitation of support” (Brittingham and Pezullo, 1990).

2.3.2 Capital campaigns are projects

Projects have the following characteristics, which set them apart from routine operations:

- Have a unique set of coordinated activities;
- Are temporary endeavours;
- Have underlying principles and assumptions, and an overall purpose;
- Have a few, clear, specific objectives;
- Have a life-cycle, with manageable stages;
- Have identifiable start and end;
- Have defined budget, schedule and performance parameters;
- Use many resources that may be needed on other projects, and
- Need a special team of people.

(Bronte-Stewart, 2015)

In project management theory, there are various definition of projects, which are given in **Table 1** below.

Table 1: Project definitions (adapted from Bronte-Stewart, 2015, p.20)

Reference	Definition
PRINCE2 (2009)	A project is a temporary organisation that is created for the purpose of delivering one or more business products according to an agreed Business Case.
PMI PMBOK (2013)	A project is a temporary endeavour undertaken to create a unique product, service or result.
APM BOK (2012)	A project is a unique, transient endeavour, undertaken to achieve planned objectives, which could be defined in terms of outputs, outcomes and benefits. A project is usually deemed to be a success if it achieves the objectives according to their acceptance criteria within an agreed timescale and budget.
BS6079: (2010)	A unique set of co-ordinated activities, with definite starting and finishing points, undertaken by an individual or organisation to meet specific performance objectives within defined schedule, cost and performance parameters.

While the definitions differ according to the above project management standards, what they have in common is that projects are temporary, unique and involve the achievement of objectives or creation of end-products (Bronte-Stewart, 2015).

Given their characteristics, capital campaigns fulfil the definition of projects as they have a clear purpose and financial goal, are undertaken in multiple phases within a defined start and end, using a team of people (Gearhart, 1995).

2.4 PROJECT SUCCESS

The 'Iron Triangle' (the 'Triple Constraint', or the 'Project Management Triangle') has been a central part of the project management discourse, as it has provided the most basic criteria by which project success (PS) is measured, i.e., whether the project is delivered on schedule, within budget, and to an agreed level of quality, performance or scope (Pollack *et al.,* 2018).

Comprehensive literature reviews (Jugdev and Muller, 2005; Pollack *et al*., 2018) found that during the 1970s, the iron triangle dominated as the measurement of PS, after which in the mid-late1980s the literature expanded from analysis of the technical aspects of project management to a growing recognition of the importance of stakeholder relationships.

Pollack *et al*. (2018) noted that during the 1980s there was also an increasing level of debate on the inadequacy of the iron triangle as the sole measurement of PS. Notably, De Wit (1988) indicated that PS involved broader objectives from the viewpoints of stakeholders throughout the project life cycle. The author defined PS as: "…when the project meets the technical performance specification and/or mission to be performed, and if there is a high level of satisfaction concerning the project outcome among key people in the parent organisation, key people in the project team and key users or clientele of the project effort" (De Wit, 1988, p. 165).

Pollack *et al.* (2018) observed that research on measures of project success from the mid-1990s onwards tended to address issues of project complexity and uncertainty, and from the 2000s onwards, the literature increasingly focussed on how project

managers experience and engage with the iron triangle. Just as this author had highlighted De Wit's (1988) research, in that it was amongst the first to distinguish between PS and the success of project management processes, other authors (Cooke-Davies, 2002) also distinguished between project management success, being measured against the traditional gauges of performance (i.e., time, cost, and quality), and PS, being measured against the overall objectives of the project.

Molwus *et al.* (2017) summarised the PS indicators as follows:

- Timely completion of projects (PS1);
- On budget completion of projects (PS2);
- Completion to specified quality (PS3); and
- Completion to stakeholders' satisfaction (PS4)

This is in line with the PMBOK® Guide (PMI, 2013) which highlights that stakeholder satisfaction should be managed as a key project objective.

2.5 THE ROLE OF STAKEHOLDERS

2.5.1 Stakeholders and project success

Bronte-Stewart (2015) highlighted world-famous projects which did not meet the iron triangle criteria, but were nonetheless deemed phenomenal successes. These include the London Eye project, which was delivered late, over budget and smaller than originally specified, yet it has become one of the UK's most popular tourist attractions. The Sydney Opera House is another well-known project which was well over budget and schedule yet is one of Australia's most famous icons. The author therefore argued that the iron triangle pays little attention to the complexity that underlie ideas of success and failure and asserted that it fails to take into account important success criteria such as quality (this includes meeting standards and stakeholder views on whether the project is a success or not); risk (this includes assessment of methodology and team performance); and benefits (the purpose, effects and impact of the project).

Jugdev and Muller (2005, p. 23) reiterated: “the past 40 years saw a slow but gradual understanding that project management success should be assessed with input from stakeholders.”

Pinto and Slevin (1988), in their seminal work on determinants of PS, elevated the role of stakeholders. The authors found that there were 10 critical success factors (CSFs) for PS during the project implementation phase of the project life cycle, viz. project mission, top management support, project schedule/plans, client consultation, personnel, technical tasks, client acceptance, monitoring and feedback, communication, and trouble-shooting.

The authors noted that while these 10 CSFs were all, to some extent, within the control of the project team, they also found four additional factors external to the project team and project implementation process, viz. characteristics of the project team leader, power and politics, environmental events, and urgency.

Although all of the 14 CSFs were significantly related to PS, the most significant relationships among the variables were found to be between PS and the following: project mission, characteristics of the project team leader, technical tasks, client consultation, and client acceptance.

The PMBOK® Guide (PMI, 2013) states that managing a project typically includes identifying requirements, addressing various needs, concerns and expectations of stakeholders as the project is carried out and balancing competing project constraints including time, cost, scope, resources, quality and risk.

Jugdev and Muller (2005, pg. 28) summarized the empirical results of several studies and outlined four necessary, though not sufficient, conditions for PS. All of these involve stakeholders:

- Success criteria should be decided on with the stakeholders prior to the commencement of the project, and reviewed throughout the project;
- A collaborative working relationship – viewed by both as a partnership – should be maintained between the project owner (or sponsor) and project manager;

- The project manager should be empowered with flexibility to deal with unanticipated situations, and with the owner providing guidance on achievement of project objectives, and
- The owner should take an interest in the progress of the project.

Bourne and Walker (2008) highlighted that PS is related to stakeholders' perceptions of the value created by the project and the nature of their relationship with the project team.

Moreover, it has been found that project stakeholders are important determinants for PS, in that they provide the project with financial and nonfinancial resources, they determine the success criteria for the project, and their (potential) resistance may cause various risks and negatively affect the success of the project (Eskerod *et al.,* 2015).

Since the work of Pinto and Slevin (1988) several other authors have gone on to affirm effective stakeholder management as an important determinant of PS (Jergeas *et al*., 2000; Weaver and Bourne, 2002; Aaltonen *et al*., 2008; Achterkamp and Vos, 2008; Aladpoosh *et al*., 2012).

2.5.2 Stakeholders in capital campaigns

The success of a capital campaign relies on the support and involvement of key stakeholders, including alumni volunteers, development office staff, advisory boards, president of the university, and chief officers of the university including faculty deans (Gearhart, 1995).

The direct involvement of the University President, however, is one of the key determinants of the success of a fundraising campaign. The President must not only support the campaign, but is the central player (Brittingham and Pezullo, 1990; Cook 1997) and must be prepared to be the "strongest advocate" (Geahart, 1995, p. 50).

Critical roles of the President during the fundraising process include internal and external stakeholder management (Satterwhite and Cedja, 2004). At larger HEIs, deans and department chairs are also key stakeholders in fundraising (Nehls, 2012).

2.6 STAKEHOLDER IDENTIFICATION

2.6.1 Definition of stakeholders

There are various definitions of project stakeholders in the literature. Freeman (1984) stated that stakeholders are any group or individual who can affect or is affected by the achievement of an organisation's objectives. Smith *et al.* (2001) defined stakeholders as representatives, direct and indirect, who may have an interest and could make a contribution to the proposed project. Similarly, Weaver and Bourne (2002) define project stakeholders as the group of people that have an interest in the project and either contribute to, or are impacted by its outcomes, while Bourne and Walker (2005) described stakeholders in construction projects as "people or gatherings who have an interest or can contribute some type of information or bolster, or can affect or be affected by the project."

The PMBOK® Guide (PMI, 2013, pg. 30) defines stakeholders as:

> "..an individual, group or organisation who may affect, be affected by, or be perceived itself to be affected by a decision, activity or outcome of a project."

According to Molwus *et al.* (2017), project stakeholders are all parties involved directly or indirectly in the project.

Given the various definitions in stakeholder literature, there are essentially two categories of stakeholders: internal (primary) stakeholders, who are those actively involved in project execution; and external stakeholders, who are those affected by the project (Olander, 2007). Internal stakeholders normally support the project and, but may affect or be affected by the project. Examples of external stakeholders include local residents, landowners and environmentalists, regulatory agencies, local governments and national governments (Aaltonen and Sivonen, 2009; Aaltonen, 2010).

2.6.2 Stakeholders in higher education

As has been mentioned previously, since the late 1970s, for many universities it has become necessary to commence fundraising campaigns to meet the shortfalls in operating budgets caused by the systematic decline in government funding (Cook, 1997).

Daly (2013) highlighted that at HEIs, “Development Offices” have been established in response to the pressures universities face to diversify their income streams. Furthermore, the author asserted that Directors of Development in HEIs, regardless of the levels of success achieved in relation to fundraising and alumni relations, are largely aware of the unpredictable and complex conditions in which they work, and this includes managing the dynamics of relationships between internal stakeholders at higher education institutions and external stakeholders.

The traditional stakeholder constituency of a university comprises students, academic staff, administrative staff, and executive management (considered as the ‘internal’ stakeholders). The external or ‘non-traditional’ stakeholder constituencies comprise research communities, alumni, industry, social movements, consumer organisations, governments, and professional associations (Jongbloed *et al.*, 2008).

The author highlighted that in HEIs, the most important stakeholder group are students, with another being the government as the main funder of higher education.

Jongbloed *et al.* (2008, pg. 311) noted that:

> “… The community of scholars may be seen as an important internal stakeholder category. The academic community represents the nucleus of scientific production as it is the basic internal constituency without which the university cannot function properly”.

Furthermore, the author observed a growing importance of the “non-academic” part of academe, i.e. the role played by the finance department, the human resources/career services department, the technology transfers office, the international relations office, or the office for fund raising, which is becoming increasingly important. The author

asserted that these departments are influential “gatekeepers” between the university and its external stakeholders; acting also as a link between the management and the academic staff. In many institutions, these functions undergo a professionalisation and have emerged as an important internal constituency.

What is more, the author noted that since the government is still the most important source of funds for HEIs, it is a ‘definitive’ stakeholder.

Table 2 lists the various stakeholder categories in a higher education institution.

Table 2: Stakeholder categories in a HEI (adapted from Jongbloed *et al*., 2008)

Stakeholder category	**Constituencies**
Governing entities	State & federal government; governing board; board of trustees; buffer organisations; sponsoring religious organisations
Administration	President (Vice-Chancellor); senior administrators
Employees	Faculty; administrative staff; support staff
Clienteles	Students, parents; tuition reimbursement providers; service partners; employers; field placement sites
Suppliers	Secondary education providers; alumni; other colleges and universities; food purveyors; insurance companies; utilities; contracted services
Competitors	Direct: Public and private providers of post-secondary education Potential: distance providers; new ventures Substitutes: employer-sponsored training programmes
Donors	Individuals (including trustees, friends, parents, alumni, employees, industry, research councils, foundations)
Communities	Neighbours; school systems; social services; chambers of commerce; special interest groups
Government regulators	Ministry of Education; buffer organisations; state and federal financial aid agencies; research councils; federal research support; tax authorities; social security; Patent Office
Non-government regulators	Foundations; institutional and programmatic accrediting bodies; professional associations; church sponsors
Financial intermediaries	Banks; fund managers; analysts
Joint venture partners	Alliances & consortia; corporate co-sponsors of research and educational services

2.7 THE STAKEHOLDER MANAGEMENT PROCESS

The PMBOK® Guide states that project stakeholder management is one of the 10 knowledge areas in project management. It “includes the processes required to identify the people, groups, or organisations that could impact or be impacted by the project, to analyse stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution” (PMI, 2013, p. 391).

This is aligned with the step-wise stakeholder management processes of Savage *et al.* (1991), outlined below:

- Identify key organisational stakeholders;
- Diagnose them along two critical dimensions of potential for threat and potential for cooperation;
- Formulate appropriate strategies both to enhance or change current relationships with those key stakeholders and to improve the organisation's overall situation, and
- Effectively implement these strategies.

Furthermore, Karlsen (2002) noted that in many projects, management of stakeholders lacks strategies, plans, and methods, so that stakeholder management is often characterized by spontaneity and poor co-ordination, with often an unpredictable outcome.

The author therefore proposed the following stakeholder management process, along similar lines as that of Savage *et al.* (1991):

- Step 1: Plan: This step also includes planning activities regarding the process, and considering the following questions: How should the process be organised? How much time and resources shall we use on the process? How often shall we do it? What kind of documentation is necessary?
- Step 2: Identification of stakeholders: can be done through interviews with experts, brainstorming in group meetings, and the use of checklists;

- Step 3: Analysing the stakeholders: Can be done in relation to selected issues, or the potential for threatening or affecting the project, and the potential for collaboration with the project;
- Step 4: Communication of the stakeholder assessment to both the management and the project members, to get an idea of who the stakeholders are and how they can affect the project. Such a common understanding of the situation is also important in regard to development of strategies for dealing with the stakeholders, and
- Step 5: Develop strategies for dealing with stakeholders.

Aaltonen and Sivonen (2009) as well as Assudani and Kloppenborg (2010) expressed support for the structured stakeholder management approaches of Savage *et al*. (1991) and Karlsen (2002), i.e. that for projects to be successful, they need to demonstrate excellent stakeholder management, which follows the process of stakeholder identification, classification, analysis, communication, and relationship management.

Aladpoosh *et al.* (2012) noted the importance of stakeholder management in order to mitigate their possible negative influence of the project objectives, while Jergeas *et al.* (2000) asserted that if stakeholder management is not adequately addressed, several problems in the project may surface, including inadequate definition of project success or failure, resulting in the project manager striving towards meeting goals that were never intended by the stakeholders; inadequate allocation of resources; unforeseen regulatory change, as well as negative community reaction to the project.

Molwus *et al*. (2017) stated that the primary purpose for carrying out stakeholder management in construction projects is to deliver projects successfully. The authors also noted that the commencement of stakeholder involvement at the beginning of the project and how it is supported through the project life cycle has a big role in achieving the KPI's of projects.

Olander and Landin (2008) noted that the stakeholder management process aims to maintain the desired implementation of the project and avoid unnecessary conflict and

controversy with stakeholders. The authors asserted that without a clear stakeholder management strategy during project implementation, the project manager will end up in a defensive mode, fending off stakeholder claims. The authors found that five factors could explain the differences in the outcomes of the stakeholder management process:

- Analysis of stakeholder concerns and needs;
- Communication of benefits and negative impacts to stakeholders;
- Clear and transparent evaluations of alternative solutions based on the concerns of stakeholders;
- Effective project organisation, including equipping the project with the requisite resources and competences, and
- Media relations.

Furthermore, the above authors, in their study of global projects, found that the outcome of stakeholder management processes depended mainly on how well the project managers communicated the perceived benefits and negative consequences of projects to external stakeholders. The PMBOK® Guide (PMI 2013, p.391) also highlights the importance of continuous communication with stakeholders "...to understand their needs and expectations, addressing issues as they occur, managing conflicting interests and fostering appropriate stakeholder engagement in project decisions and activities."

2.8 STAKEHOLDER CLASSIFICATION

2.8.1 Stakeholder salience

Stakeholder classification and analysis is an important component of stakeholder management (Karlsen, 2002). Mitchell *et al.* (1997) expounded the stakeholder theory literature by proposing a theory of stakeholder salience which suggests that a stakeholder's ability to command salience in a relationship is determined by the perceptions of three key attributes of stakeholder claims: power, legitimacy and urgency. On this basis, they proposed that classes of stakeholders can be identified by the possession of one or more of these attributes. 'Salience' is the degree to which

priority is given to stakeholders amidst competing stakeholder claims. According to Mitchell *et al.* (1997), managers will pay more attention to, and respond to the claims of stakeholders they perceive to have more salience.

Power may arise from the ability of a stakeholder to mobilize social, political or economic forces, or influence the nature and extent of resources available to the project (Mitchell *et al.*, 1997). Some stakeholders hold power because they control information and resources (Karlsen, 2002). The Mitchell *et al.* (1997) model proposed that the more powerful stakeholders are, the more salient their requests are to management.

Legitimacy is the acceptance of the behaviour of stakeholders in terms of social ethics and laws, or the moral or legal claim a stakeholder has to influence a project. Mitchell *et al.* (1997) argued that the more legitimate stakeholders' claims are, the more likely they are to receive positive responses.

The third attribute that increases the salience of the stakeholder is **urgency.** This is the degree to which stakeholder claims call for immediate action, and is based on two attributes viz. time sensitivity and criticality (Mitchell *et al.,* 1997).

Mitchell *et al.* (1997) further proposed allocating stakeholder salience attributes into various classes: **Latent stakeholders** have low salience as they possess only one of the attributes of power, legitimacy, or urgency. Organisations with limited resources cause managers to pay little attention to these stakeholders. **Expectant stakeholders** have moderate salience as they possess two of the attributes. When two attributes are present, the salience increases towards stakeholders' having an 'active' claim; and hence the organisation's response increases leading to a higher level of managerial engagement. **Definitive stakeholders** have high salience, as they possess all three attributes of power, urgency and legitimacy.

The Latent, Expectant and Definitive stakeholders can be further divided into seven classes of stakeholders:

Latent stakeholders (one attribute):

- class 1: dormant stakeholder (the relevant attribute is power)
- class 2: discretionary stakeholder (legitimacy)
- class 3: demanding stakeholder (urgency)

Expectant stakeholders (two attributes):

- class 4: dominant (power & legitimacy)
- class 5: dangerous (power & urgency)
- class 6: dependent (legitimacy & urgency)

Definitive stakeholders (three attributes):

- class 7: definitive (power, legitimacy, urgency).

(Mitchell *et al*. (1997)

2.8.2 Ability for threat or collaboration

As described in Savage *et al.* (1991), Karlsen (2002) proposed classifying project stakeholders in terms of their propensity for collaborating with (co-operation), or threatening the project (this is Step 3 of Karlsen's stakeholder management process (Karlsen, 2002).

According to Savage *et al.* (1991), assessing the potential for co-operation is similar to a "best case" scenario development. Since the potential for stakeholder co-operation is often ignored because there is such an over-emphasis of focussing on stakeholder threats, Savage *et al*. (1991) argued that co-operation should be equally emphasized since it allows stakeholder management to go beyond merely defensive or offensive strategies. In contrast, regarding the potential threat of stakeholders is similar to developing a "worst case" scenario and protects managers from unpleasant surprises.

The two dimensions – potential for threat and potential for co-operation or collaboration – enable a manager to classify stakeholders into four types: Supportive, Marginal, Non-supportive, or 'Mixed-blessing' (Karlsen, 2002):

The **supportive** stakeholder is the ideal stakeholder, who has low potential to threaten the project, and high potential for collaboration (Karlsen, 2002). According to Savage *et al.* (1991), usually for a well-managed organisation, its board of trustees, managers, staff employees, and parent company will be supportive, also its suppliers, service providers, and non-profit community organisations.

The **marginal** stakeholder is neither highly threatening nor especially cooperative. Although they potentially have a stake in the organisation and its decisions, they are generally unconcerned about most issues. For medium- to large-sized organisations, stakeholders of this kind may include consumer interest groups, stockholders, and professional associations for employees (Savage *et al.*, 1991), or third parties Karlsen (2002).

The **non-supportive** stakeholder – the most distressing for a project – has high potential to threaten the project, and low potential for collaboration. For many large manufacturing organisations, typical non-supportive stakeholders include competing organisations, employee unions, the federal government (and, possibly, local and state governments) and sometimes the news media (Savage *et al.,* 1991).

Mixed-blessing stakeholders can play a major role in the project; however, the project manager faces a stakeholder whose potential to threaten or to collaborate is equally high. Generally, in a well-managed organisation, stakeholders of the mixed-blessing type would include employees who are in short supply, clients or customers, and organisations with complementary products or services (Savage *et al.*, 1991).

2.9 STAKEHOLDER CLASSIFICATION IN HIGHER EDUCATION

Jongbloed *et al.* (2008) supported the Mitchell *et al*. (1997) salience model, as the author argued the model can help HEIs give priority to competing stakeholder claims.

With regard to the power attribute, Jongbloed *et al*. (2008) referred to the growing pressure from students, parents and legislators to force universities to adopt more cost-conscious operating principles. This has also been seen with the #FeesMustFall

protests (Pillay, 2016), when students exerted so much pressure on universities, with protests often becoming violent.

Stakeholders with 'legitimacy' as an attribute are those such as the university's traditional stakeholders, for example students and governments (Jongbloed *et al.,* 2008).

Stakeholders with urgency include the greater emphasis put on research in the medical or science fields at the expense of research in other areas (Jongbloed *et al.,* 2008).

The author also highlighted, how in terms of donors being a 'definitive' stakeholder, philanthropists are starting to "choose to engage in philanthropy, from giving circles to venture philanthropy" which has the potential consequence of bringing a whole new facet to the relationship between donors and higher education institutions. Furthermore, Daly (2013) found this "definitiveness" of donors expressed in it becoming more challenging to convince donors to give to universities.

Gearhart (1995, p. 86) also noted how this 'definitive' attribute of donors can come at a cost, as donors "…often exercise their authority, power, and control over the institution through their gifts." The author used the examples ranging from donors wanting to use their power to "…insisting on football tickets on the 50-yard line to others demanding that an entire curriculum be changed". The author also cited the example when at certain times of the year, many Directors of Development become *de facto* admissions officers, as donors attempt to exercise their influence to get their sons and daughters into the institution (Gearhart, 1995).

Jongbloed *et al.* (2008) also pointed out that power, legitimacy and urgency can change, i.e. they are not static, but dynamic. This implies that particular stakeholders can move from one class to another by gaining or losing particular attributes. This is in agreement with the work of Aaltonen and Kujala (2016), who highlighted stakeholder dynamism as the changes in stakeholders' attributes or position towards the project.

2.10 STAKEHOLDER MANAGEMENT STRATEGIES

Aladpoosh *et al.* (2012) and Eskerod *et al.* (2015) referred to an 'instrumental approach' of stakeholder management, where stakeholders do what is needed to achieve project success, and a 'normative' or ethical approach, i.e. an approach to managing stakeholders whereby the project does what is needed for the stakeholders.

Aladpoosh *et al.* (2012) singled out the normative framework, where stakeholders are managed in a mutually supportive framework and where value is created for stakeholders. This supports the work of Donaldson and Preston (1995), who argued that out of the various stakeholder theory types, the most "morally tenable" approach to stakeholder management is found in its normative base.

Olander and Landin (2008) asserted that the aim of the stakeholder analysis process should be to identify the extent to which the needs and concerns of external stakeholders can be fulfilled, and to analyse the possible consequences if they are not. This also affirms the normative approach (Donaldson and Preston, 1995) to stakeholder management.

Aaltonen and Sivonen (2009) noted that, while project stakeholder management research is mainly focused on the rational process of stakeholder management producing normative frameworks and tools on how to map stakeholders, there is a dearth of project stakeholder management research that explores how stakeholder related events are actually dealt with as they occur (i.e. "response" strategies).

Karlsen (2002) highlighted the work of Savage *et al.* (1991), who described four different strategies for dealing with stakeholders based on their classification (i.e. their ability to threaten or collaborate with a project). These strategies are:

- Involve;
- Monitor;
- Defend, and
- Collaborate.

Involvement strategy: Supportive stakeholders: Savage *et al.* (1991) pointed out that supportive stakeholders are often ignored as stakeholders to be managed, and therefore their co-operative potential may also be overlooked. Therefore, this group of stakeholders should be kept informed and involved in relevant issues, thereby maximising the potential for co-operation and yielding positive results.

This also affirms the work of Pinto and Slevin (1988), who highlighted the importance of stakeholder (client) involvement and acceptance at various stages of the the project life cycle.

Monitoring strategy: **Marginal stakeholders**: Since these stakeholders' potential for both affecting the project and for collaboration is low, they should be monitored. By recognizing that these stakeholders' interests are narrow and issue-specific, through constant monitoring, the project manager can minimize the project expenditure of resources. Only if the issues relating to these stakeholders pose a risk, should the organisation act, otherwise effort may be wasted (Savage *et al.* (1991).

Defensive strategy: Non-supportive stakeholders: These stakeholders initially are managed best by using a defensive strategy, which serves to reduce the dependence that forms the basis for the stakeholders' interests in the project (Savage *et al.* (1991).

Collaboration strategy: Mixed blessing stakeholders: These stakeholders are high on both dimensions of potential to threaten or co-operate with, therefore they are best managed through collaboration, thereby reducing their ability to oppose the organisation. However, the collaboration must be based on mutual trust and must be mutually beneficial, and can take place on both an administrative and an operational level. The advantages of collaboration can be several, e.g., reduced administrative costs, improved exploitation of resources, and better communication (Savage *et al.,* 1991; Karlsen, 2002).

Aaltonen and Sivonen (2009) advanced the work on project stakeholder management strategies and described five generic different types of responses:

Adaptation strategy: This is a passive strategy by which an organisation adapts to stakeholder demands. It is used when claims of stakeholders are legitimate and stakeholders have excessive power in relation to the focal organisation.

Compromising strategy: There is a natural tendency for conflicts to exist between the objectives of a focal organisation and the interests of its stakeholders (Olander and Landin, 2008; Aaltonen and Sivonen, 2009). As power and legitimacy of stakeholders' claims increase, a compromising strategy is useful, i.e. a strategy by which an organisation makes concessions and compromises over its own objectives, because of claims presented by stakeholders.

Avoidance strategy is when the organisation diminishes its attachments to stakeholder related claims and tries to guard and buffer itself from the claims. Aaltonen and Sivonen (2009) recommended the avoidance strategy for organisations which can transfer the responsibility for managing conflicts to other organisations that have higher level responsibility or that are more capable of responding to claims.

Dismissal strategy refers to a strategy by which a focal organisation ignore demands and pressures posed by stakeholders. In some cases, dismissal strategy may not be a conscious choice, but may occur due to a lack of local knowledge or a lack of experience. Aaltonen and Sivonen (2009) noted that dismissal strategy is supposedly used in situations, in which claims of stakeholders are not legitimate and stakeholders who exert pressures do not have much power in relation to the focal organisation.

Influence strategy is used to neutralize stakeholders' opposition and to proactively shape their demands, and involves active and innovative information sharing, opening the project to stakeholders, multi-stakeholder dialogues and building active and nonadversarial, long-term relationships with stakeholders. Aaltonen and Sivonen (2009) noted that this strategy enables organisations to forecast potential stakeholder pressures. It seems therefore that this approach is strongly aligned to the normative approach of stakeholder management (Donaldson and Preston (1995).

What is more, using resource dependence theory, Frooman (1999) described four types of stakeholder influencing strategies:

- Direct withholding;
- Direct usage;
- Indirect withholding, and
- Indirect usage.

With ‘withholding’ strategies the stakeholder stops providing a resource to a firm in order to make the firm change a certain behaviour, and with ‘usage’ strategies the stakeholder continues to supply a resource, but with constraints attached.

With the direct strategies, the stakeholders overtly manipulate the flow of resources to the project, whereas with the indirect strategies stakeholders work through an ally to manipulate resources to the project.

When stakeholders have high dependence on the organisation they will employ usage strategies; in contrast when a stakeholder has a low dependence they will use withholding strategies.

2.11 PROJECT STAKEHOLDER LANDSCAPES

Aaltonen and Kujala (2016) noted that while extensive research has been conducted on project stakeholder management frameworks, little is known more holistically about the key characteristics, dimensions and nature of different types of project stakeholder environments, and the implications for project management.

The authors’ systematic literature review of project stakeholder landscapes determined that the project stakeholder landscape consists of essentially four key dimensions:

- Complexity;
- Uncertainty;
- Dynamism, and
- Institutional context.

In the **complexity** dimension, the stakeholders are the elements of the stakeholder system. The complexity dimension can be divided into stakeholder element complexity and stakeholder relationship complexity. The former is characterised by the number, variety and internal complexity of stakeholders (Aaltonen and Kujala (2016).

Karlsen *et al.* (2008) highlighted that, as the number of stakeholders in the project increase, the greater the project complexity, as each of the stakeholders usually come with their own interest in the project which may lead to different priorities and conflicts, i.e. the more challenging stakeholder management becomes.

The variety of project stakeholders and their goals refers to differences in the characteristics and backgrounds of the stakeholders, and is also demonstrated in the 'power, legitimacy and urgency' salience stakeholder model of Mitchell *et al.* (1997).

Stakeholders' internal complexity refers to the intra-stakeholder heterogeneity, for example, where members within a stakeholder group also have multiple views on an issue. As the differences increase, so stakeholder management becomes more challenging (Aaltonen and Kujala, 2016).

The stakeholder relationship complexity is characterised according to the number, variety, patterns and internal complexity of relationships among stakeholders, and is closely associated with the project's network of relationships. As the stakeholder relationship network becomes denser and more varied, the harder it becomes to manage stakeholders (Aaltonen and Kujala, 2016).

Aaltonen and Kujala (2016) noted that the **uncertainty** dimension was created by stakeholders' emergent nature and unpredictability. They also identifed that the experience of the project manager with regard to stakeholders as a significant factor in uncertainty, as well as the ambiguous information with regard to stakeholders' objectives and claims.

Ward and Chapman (2008) pointed out that stakeholders themselves are a foremost source of uncertainty in projects, with the uncertainty being comprised of who the relevant stakeholders are, their ability to influence a project, and their motives with

respect to how their actions affect project activity. Similarly, Karlsen (2002) observed that some stakeholders cause high uncertainty and problems for the project and highlighted the importance of asking the question: “Which stakeholders cause the most uncertainty and problems to the project?”

Aaltonen and Kujala (2016) characterised the stakeholder **dynamism** dimension as the changes in stakeholders’ attributes or position towards the project. This can also manifest as the emergence of completely new stakeholder groups or new or changed stakeholder relationships over time (Missonier and Loufrani-Fedida, 2014).

Miller and Lessard (2001) found that dynamism is strongly related to how stakeholders’ concerns are actually taken into account, and how stakeholders are engaged with, as stakeholders have been found to mobilize due to ineffective engagement.

Aaltonen (2010) showed how the salience and particularly power of stakeholders may change as the project proceeds on its life cycle and project-related decisions are made. When the project “go-decision” is made, for example, the salience of opposing stakeholders decreases because their potential to influence decision-making is significantly lower.

Aaltonen *et al.* (2015) went on to demonstrate that the early front-end phase of a project is where dynamism is most apparent, as this is where stakeholders try to shape their position within the network.

Aaltonen and Kujala (2016) characterised the **institutional context** dimension as the local embeddedness, formal or informal legitimised structures and processes for engaging stakeholders, the multiplicity of institutional environments, and the complexity of the interpretation process.

The authors’ found that institutional contexts which lack structures and governance models for effectively engaging stakeholders, make stakeholder management more challenging.

While the research addressed the dimensions of complexity, uncertainty, dynamism, and institutional context into a single stakeholder landscape framework, the authors' research also highlighted the inter-connectedness and highly inter-dependency of the various key dimensions in the stakeholder management landscape (Aaltonen and Kujala, 2016).

2.12 STAKEHOLDER INFLUENCE ACROSS THE PROJECT LIFE CYCLE (PLC)

Pinto and Slevin (1988) pointed out that the critical success factors (CSFs) for project success are not of equal importance throughout the project life cycle (PLC) stages. Instead, the authors found that at each phase of the PLC, a stakeholder-related factor was significantly related to project success. This is shown in **Table 3** below.

At the conceptual phase, client consultation was among the two CSFs signicantly related to project success; at the planning phase, client acceptance was among four CSFs significantly related to project success; at the execution phase, client consultation was among six factors significantly predicting project success; and at the termination phase, client consultation was among three factors significantly related to project success.

Table 3: **Most important CSFs for project success during the various phases of the PLC** (adapted from Pinto and Slevin, 1988)

Project life cycle phase	**Critical success factor for project success**
Conceptual phase	Project Mission Client Consultation
Planning Phase	Project Mission Top Management Support Client Acceptance Urgency
Execution phase	Project Mission Characteristics of the Project Team Leader Trouble-shooting Project Schedule/Plans Technical Tasks Client Consultation
Termination phase	Technical Tasks Project Mission Client Consultation

Furthermore, Assudani and Kloppenborg (2010) argued that the salience model provides a rather static and limited view of stakeholders, since stakeholder analysis is usually conducted at the 'front end' of the project. The authors asserted that, given the dynamic nature of stakeholders, their influence, or 'salience', can change over the PLC. The authors therefore advocated that continuous stakeholder identification and prioritisation be conducted during the different stages of a project, and not just at the beginning of the project.

This 'stakeholder dynamism' was also found to be one of the key elements of the stakeholder project landscape (Aaltonen and Kujala, 2016). Molwus *et al.* (2017) also highlighted the importance of stakeholder involvement at the inception of the project and throughout the PLC for achieving the KPI's of projects.

Despite the acknowledgement that project stakeholders' positions and attributes during the PLC are dynamic and not static, Ward and Chapman (2008) noted that there is a dearth of explicit life cycle-based views of project stakeholder management. The authors asserted that each phase of the PLC presents different environmental and social risks and opportunities for the project and for the stakeholders as well, and hence it is important that various stakeholder engagement practices be employed during the different phases of the life cycle.

Kolltveit and Gronhaug (2004) also noted that the potential influence of stakeholders is highest in the early phase of the project, before a detailed agenda is set and the cost involved for making changes is low. This is also when uncertainty (Kolltveit and Gronhaug, 2004) and dynamism (Aaltonen *et al.,* 2015) is highest. Their research revealed a paradox, however, in that the primary stakeholders in the construction industry showed little interest in exploiting the opportunities connected with the early project phase.

Olander and Landin (2008) also noted that in the early feasibility and conceptual design stages of projects, the considerations of external stakeholders ("customers") was important. As has been pointed out previously, the authors found that early on in

the project, stakeholder acceptance, achieved through effective stakeholder communication, is a critical success factor for project success.

2.13 CRITICAL SUCCESS FACTORS IN STAKEHOLDER MANAGEMENT

2.13.1 Definition of CSFs

Several authors have highlighted that effective stakeholder management is an important determinant of project success (Pinto and Slevin, 1988; Karlsen, 2002; Eskerod *et al.,* 2015).

There are in turn, several critical success factors for the successful implementation of stakeholder management (Karlsen *et al.,* 2008; Jergeas *et al.,* 2000; Yang *et al.,* 2009; Amoatey *et al*., 2017; Molwus *et al.,* 2017).

Critical success factors (CSFs) can be defined as “areas, in which results, if they are satisfactory, will ensure successful competitive performance for the organisation” (Rockart 1979, p. 85).

Yang *et al.* (2011, p. 902) stated that:

> ”…critical success factors in terms of stakeholder management are those activities and practises that should be addressed in order to balance stakeholders’ interests and further ensure that projects are moved forward.”

2.13.2 The key CSFs for effective stakeholder management

Molwus *et al*. (2017) stressed that it is important for the project team in construction projects to fully understand the CSFs for stakeholder management, as this will enable them to achieve project success.

Several authors conducted extensive reviews of the literature on CSFs for stakeholder management in construction projects. There were a number of CSFs for successful stakeholder management which were ranked high by three authors (Yang *et al*., 2009; Molwus *et al.,* 2017; Amoatey *et al.,* 2017), namely:

- Communicating and engaging with stakeholders;
- Identifying stakeholders properly;
- Keeping and promoting good relationships;
- Understanding stakeholders' interests;
- Formulating a clear project mission, and
- Analyzing stakeholder conflicts and coalitions.

These CSFs for successful stakeholder management, as well as some others, are discussed in more detail below:

Communication: Several authors (Amoatey *et al.,* 2017; Jergeas *et al.,* 2000; Yang *et al.,* 2009; Molwus *et al*., 2017; Pinto and Slevin, 1988) found that communication and engagement with stakeholders was an important critical success factor for stakeholder management.

Amoatey *et al.* (2017) noted the importance of communication for inclusiveness and transparency in decision-making, the achievement of consensual solutions, and lower risk for conflicts and stalemates. Jergeas *et al.* (2000) stressed that communication with stakeholders needed to focus on engaging on project purpose and providing feedback, and was especially important for managing expectations and 'hidden agendas'.

Pinto and Slevin (1988) highlighted the importance of continuous two-way communication with clients throughout the life of the project and warned against the project team just initially talking to clients and subsequently breaking off this connection to go off and developing the project on their own.

Karlsen (2002) advised that communication with the client and other stakeholders throughout the project cannot be over-stressed, and in the author's step-wise stakeholder management process, 'communication' is Step 4, comprising of communicating the stakeholder assessment to management and the project team.

Furthermore, Karlsen *et al.* (2008) found that clarification of roles and responsibilities in the beginning of the project improves communication.

Olander (2003) hilghlighted the different components of communication with stakeholders, including what to communicate, how to communicate, when to communicate, where to communicate, and most importantly, to whom the communication is to be made. Moreover, the author also pointed out the importance of not only informing stakeholders, but also to ascertain how the information was processed by the stakeholders and what their response is.

Chinyio and Akintoye (2008) noted the importance of communication in stakeholder management as a means for an organisation to understand the expectations of its stakeholders as well as keep them informed. They provided practical approaches, viz. more impersonal means of communication like use of newsletters and websites are particularly useful for stakeholders with low urgency, whereas stakeholders with high power and interest will expect to be kept fully informed and even consulted before significant decisions are made. A stakeholder with high power but low interest may find frequent communication quite demanding.

Olander and Landin (2008) found that a weak stakeholder communication process resulted in public opposition to the project, and created a strong powerbase with the media and politicians. The authors found that a more proactive stakeholder communication strategy resulted in stakeholder acceptance of the project thereby decreasing both the probability of this stakeholder group affecting project decisions and the impact if they did.

Identification of stakeholders: In the six-step project stakeholder management process of Karlsen (2002), which has been discussed previously, the second step focusses on the identification of stakeholders, and includes stakeholders who are both involved directly in the project and those who could be potential stakeholders. The author identified the most important stakeholders to be clients and end-users, and recommended that working with these stakeholders is a key to success.

Jergeas *et al.* (2000) highlighted the importance of developing a more formal process for identifying stakeholders as 'indirect stakeholders' are normally only dealt with reactively i.e. when they create problems. This was in agreement with the work of Bourne and Walker (2005), who highlighted the importance of identifying 'invisible' stakeholders, whose co-operation and support are vital for project success, for example family support networks, communities of practice and other social networks.

Amoatey *et al.* (2017) pointed out that the lack of proper identification of beneficiaries as key stakeholders in projects is one of the major causes of local government infrastructural projects such as markets becoming white elephants. The authors noted that the importance of proper identification of stakeholders during project designs enables adequate understanding of their needs and better chance of the project meeting stakeholders' unique expectations.

Olander (2003) underscored the importance of identification of those stakeholders who can affect the project, and then managing their differing demands through good communication. This was also highlighted by Aaltonen *et al.* (2008), who emphasised out that the purpose of stakeholder identification and analysis is to facilitate the understanding of how to manage stakeholders in increasingly turbulent and unpredictable environments.

Frooman (1999) stressed the importance of first identifying stakeholders, before proceeding to classify and manage them. The author posed the following three general questions about stakeholders: i. Who are they? (This question concerns their attributes.) ii. What do they want? (This question concerns their ends.) iii. How are they going to try to get it? (This question concerns their means.)

Keeping and promoting good relationships: Karlsen *et al*. (2008), noted that the most crucial factor in project stakeholder management is managing the relationship between the project and its stakeholders. Furthermore, the author noted that trust and commitment among stakeholders can be built and maintained by efficient relationships management.

Jergeas *et al.* (2000) asserted that good relationships with a project's stakeholders are vital for meeting stakeholder expectations and successful project delivery. Furthermore, Aladpoosh *et al.* (2012) cautioned that projects should not ignore the importance of building relationships with 'political' stakeholders.

Harrison (2018) noted that relationship management is more than communication with a public but an ongoing maintenance of interactions with stakeholders. This is aligned with the work of Pinto and Slevin (1988), who found that stakeholder-related interactions throughout the project life cycle was significantly related to success.

Understanding stakeholders' needs, interests and expectations: This critical success factor is in alignment with the important work of Donald and Preston (1995), who argued for the normative approach of stakeholder management. Several authors are in agreement with this approach to stakeholder management (Aladpoosh *et al.,* 2012; Eskerod *et al.,* 2015).

Aladpoosh *et al.* (2012) emphasised that while most projects are focused on being implemented within time and budget, more attention should be paid to the issues, needs and expectations of stakeholders. Similarly, Bourne and Walker (2005) stressed that without attention to the needs and expectations of a diverse range of project stakeholders, a project will probably not be regarded as successful even if the project manager was able to stay within the original time, budget and scope.

In Karlsen's (2002) stakeholder management process, Step 3 (stakeholder analysis) calls for evaluating the stakeholder in relation to selected issues, for example their interests in the project.

Olander and Landin (2008) concluded that the level of stakeholder acceptance in projects is based on the ability of the project manager to acknowledge the concerns of stakeholders and maintain or increase the received acceptance level through an effective stakeholder management process.

Project mission statement: Amoatey *et al.* (2017) noted that the formation of a clear mission statement is a necessary requirement for effective stakeholder management

and project success, while Jergeas *et al.* (2000) found that setting a clear mission statement was critical for the setting of common goals, objectives and project priorities, and ultimately improved stakeholder management.

Aladpoosh *et al.* (2012) noted that goal-congruence implies aligned-goals, with the result that it is easier to trust stakeholders doing their job because of a win-win situation. The authors further highlighted that projects will receive better results when stakeholders become interactively involved in defining the project requirements.

Pinto and Slevin (1988) found that 'project mission' i.e. initial clarity of goals and general direction, was one out of 14 critical success factors for project implementation success. Furthermore, the authors found that this critical success factor remained of great importance across all phases of the project life cycle. Moreover, the authors stressed that the purpose and goals of the project should be explicit not just to the project team, but to all stakeholders.

Karlsen (2002) noted the importance of engaging stakeholders around a clear and comprehensive definition of project success and failure, to avoid the project manager from striving to meet goals that were never intended by the stakeholders. Furthermore, the author found that the establishment of common goals is important for building trust with stakeholders.

Sutterfield *et al.* (2006) showed that stakeholders behave in ways in which they feel will help them accomplish their project objectives, which may be congruent or incongruent with the project manager's project mission, vision, and/or objectives.

Analyzing conflicts and coalitions among stakeholders: According to Freeman (1984), analyzing the conflicts and coalitions among stakeholders is an important step for stakeholder management. The author noted that since there are various conflicts among stakeholders, compromising these conflicts become important for project managers to make decisions.

Rowley and Moldoveanu (2003) noted that the presence of stakeholder coalitions or cliques can make stakeholder management extremely challenging to control the stakeholder network.

Frooman (1999) proposed that project managers should know the potential conflicts stemming from divergent interests and also search for possible coalitions among stakeholders, and Sutterfield *et al.* (2006) stressed that by not effectively identifying and managing the hidden and often conflicting agendas of project stakeholders early in the project management process, many projects inevitably experience costly failures.

Olander (2003) found that conflicts and controversies with external stakeholders cost projects time and money. However, the author asserted that conflicts need not necessarily be counter-productive, as often the outcome of the project is improved because of the new information obtained and changes that were made as a result of the issues. The author further argued that the problem is that the positive changes made happened on the basis of conflict, instead of proper communication with external stakeholders. The author therefore stressed that improved communication can avoid conflicts and negative outcomes.

This is the end of the discussion on the key CSF's. The following CSFs are identified to be of lower importance for successful stakeholder management but should however still be considered:

Formulating appropriate strategies: As discussed previously, Step 5 in the stakeholder management process of Karlsen (2002) involves implementing strategies to deal with stakeholders. The author highlighted the work of Savage *et al.* (1991), who described four different stakeholder response strategies (involve, monitor, defend, and collaborate) based on their ability to threaten or collaborate with a project. Aaltonen and Sivonen (2009) described five generic different types of responses (adapt, compromise, avoid, dismiss, influence).

Social responsibilities: In the Yang *et al.* (2009) literature review study, the authors found that the critical success factor for stakeholder management "managing

stakeholders with social responsibilities (economic, legal, environmental and ethical)" to be the highest ranked CSF. The authors undertook further research (Yang *et al*., 2011) and determined that this critical success factor was in fact a 'pre-condition factor' for stakeholder management and therefore recommended that stakeholder management should always be carried out with social (economic, legal, environmental and ethical) responsibilities (see **Figure 1**).

This is in agreement with past research which asserted that the stakeholder theory is strongly aligned with corporate social responsibility, as stakeholders are central to the very concept of corporate social performance (Wood and Gray, 1991).

In contrast, Molwus *et al.* (2017) found this CSF to rank 15 out of 23 and was not a 'pre-condition factor' for stakeholder management. However, the authors determined that the construct 'stakeholder engagement', of which 'considering corporate social responsibilities (paying attention to economic, legal, environmental, and ethical issues) is an indicator, has a direct positive impact on project success.

Savage *et al.* (1991) noted that a common view is that managers are only responsible for activities necessary for their business to make a profit within the economic, legal, and regulatory constraints of the marketplace. In contrast to this view of management, many scholars now argue that organisations should be socially responsible and voluntarily seek ways to satisfy their key stakeholders to avoid adverse actions. This is aligned with the normative approach to stakeholder management (Donaldson and Preston, 1995).

Mathur *et al.* (2008) highlighted that corporate responsibility, necessary for addressing the wider social and environmental development goals of society, implied information sharing and constructive negotiating opportunities between businesses and their stakeholders.

Involving relevant project stakeholders at the inception stage: The Molwus *et al.* (2017) study found that "involving relevant project stakeholders at the inception stage and whenever necessary to refine project mission" to be the most important critical success factor for stakeholder management.

This was in agreement with the work of Kolltveit and Gronhaug (2004), who noted that the potential influence of stakeholders is highest in the early phase of the project, and this is also when uncertainty and dynamism is highest (Aaltonen *et al.* 2015).

Olander and Landin (2008) highlighted the importance of gaining external stakeholder acceptance in the inception stages of projects, and that this was linked to project success.

Assessing, predicting and mapping stakeholders' behaviour: Yang *et al.* (2009) as well as Molwus *et al.* (2017) found these critical success factors to be of low importance for successful stakeholder management.

These results are not surprising, and explained by Frooman (1999) who observed that in stakeholder management research, the questions that tend to be overemphasised are the "Who are they?" (stakeholders' attributes) and "What do they want?" (stakeholders' "ends") questions, while the "How are they going to try to get it?" (stakeholders' "means" or "influence strategies") question tends to receive less attention. The author noted that stakeholder influence strategies are the "means" stakeholders use to try to get what they want.

Aaltonen *et al.* (2008) noted that stakeholders use various actions, strategies or tactics to increase their salience and influence a project's decision-making or advance their interests in projects. The author expanded on the work of Frooman (1999) and proposed eight different strategies through which project stakeholders can shape their salience attributes. The strategies are as follows: direct withholding strategy, indirect withholding strategy, coalition building strategy, resource building strategy, conflict escalation strategy, credibility building strategy, communication strategy, and direct action strategy.

The authors noted that stakeholder behaviour can increase the direct operational costs of projects in the form of legal fees and PR costs. Furthermore, negative actions can affect organisations' reputations which may affect future business.

Bourne and Walker (2008) conceptualised the Stakeholder Circle™, a stakeholder management framework which described the influence of a stakeholder on a project in relation to their proximity to a project. The authors noted that some stakeholders have significant influence while others are relatively remote and/or have little interaction. The authors highlighted the importance of managing powerful stakeholders who are in close proximity to the project and cautioned that powerful stakeholders who are remote from the project present the greatest risk.

Analyse and manage the changes in stakeholder relationship and influence: Yang *et al.* (2009) as well as Molwus *et al.* (2017) ranked these issues, which refer to the changes in stakeholders, to be low as critical success factors for stakeholder management.

Freeman (1984) highlighted the concepts of the change and dynamics of stakeholders, in particular that stakeholders and their influence change over time, and this depends on the strategic issue under consideration.

As previously mentioned, Aaltonen and Kujala (2016) identified four key dimensions in the stakeholder management landscape, among them stakeholder dynamism, characterised as the changes in stakeholders' attributes or position towards the project. The authors noted that changes in stakeholder influence strategies are key elements of the dynamism dimension.

Similarly, Chinyio and Akintoye (2008) found that the levels of power and saliency of stakeholders may change with the passage of time and that in each project there is a need to monitor the stakeholders and their stakes and respond to their dynamism in order to avoid any negative effects.

Assessing attributes of stakeholders: As described previously, the salience classification model of Mitchell *et al.* (1997) defined stakeholders through the three attributes of 'power', 'legitimacy' and 'urgency', where salience refers to the degree to which priority is given to stakeholders amidst competing stakeholder claims.

Yang *et al.* (2009) and Molwus *et al.* (2017) found that this critical success factor ranked low.

2.13.3 Framework for successful stakeholder management based on groupings of CSFs

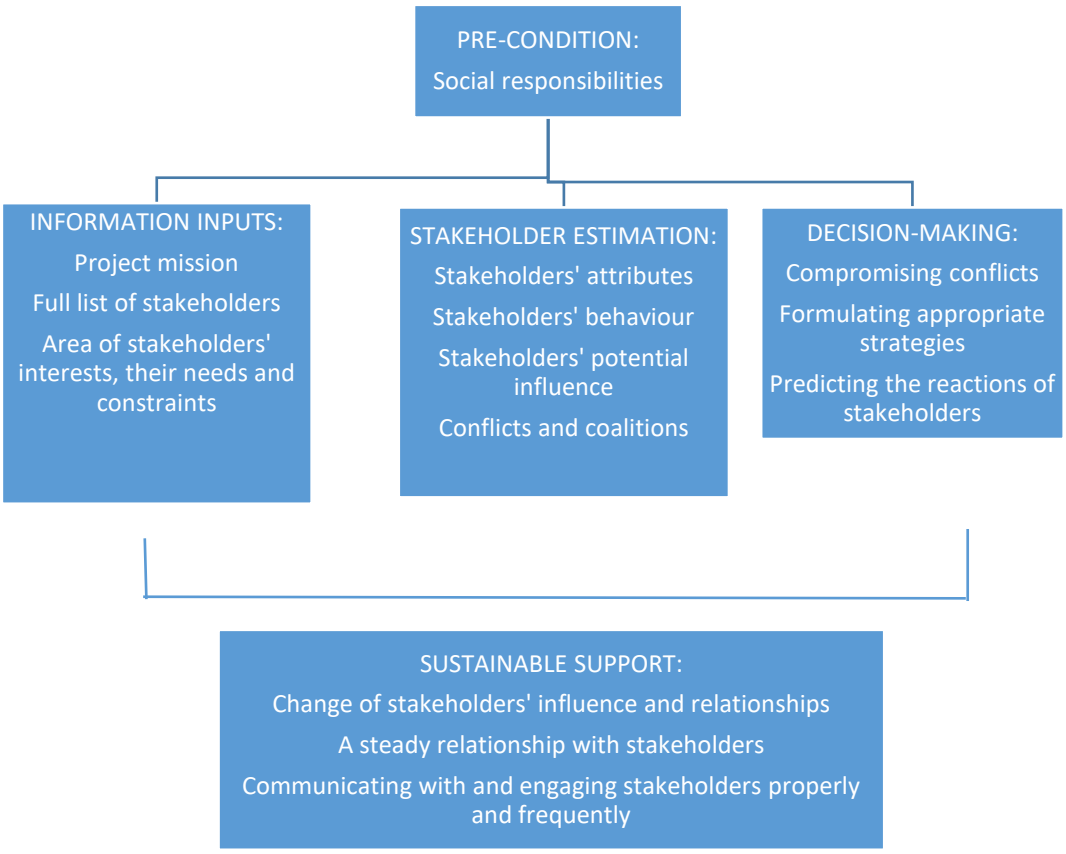
Using factor analysis, Yang *et al.* (2009) developed a framework for successful stakeholder management in construction projects based on the exploratory groupings of 15 critical success factors. **Figure 1** gives the framework.

The five factor groupings include the 'pre-condition factor' and the four groupings viz. stakeholder estimation, information inputs, decision-making, and sustainable support (**Figure 1**).

Figure 1:

Framework for successful stakeholder management in construction projects

(adapted from Yang *et al.* 2009)



Yang *et al.* (2009) determined that **social responsibilities** is represented above the other four groupings as it is a 'pre-condition' for any activities for managing stakeholders.

Furthermore, information should be inputted first during the process of stakeholder management, and then stakeholders can be estimated (analysed) based on the information obtained. Thereafter, decisions can be made. Sustainable support is represented underneath as it is needs to be provided throughout the stakeholder management process.

This was in agreement with the work of Chinyio and Akintoye (2008), who asserted that obtaining detailed information about the projects and its stakeholders is considered the first major step of stakeholder management, which in turn informs stakeholder analysis.

Jepsen and Eskerod (2009) also noted that the outcome of an informed stakeholder analysis would lead to the understanding of possible stakeholder dynamism and prediction of their likely behaviours on the basis of which appropriate stakeholder management strategies can be decided.

Molwus *et al*. (2017) reiterated that while identifying CSFs and grouping them (Yang *et al.,* 2009) are good initial steps towards developing a stakeholder management framework, the authors espoused that the ability to carry out effective stakeholder management in construction projects necessitates an understanding of the inter-relationships among critical success factors for stakeholder management, and how they are related to project success. Furthermore, the authors asserted that this would enable the project manager to know the logical process for addressing the CSFs, for effective stakeholder management.

Therefore, Molwus *et al*. (2017) advanced the research of Yang *et al.* (2009), and by using advanced multivariate analyses techniques, the authors grouped 23 critical success factors on the basis of their related actions and the stakeholder issues they aim to address. The four constructs (latent variables) were found to be:

- Stakeholder characteristics and project characteristics (SCPC);
- Stakeholder analysis (SA);
- Stakeholder dynamics (SD), and
- Stakeholder engagement/empowerment (SE).

Table 4 gives the Molwus *et al.* (2017) constructs.

Table 4: Constructs and indicators of conceptual measurement model of CSFs for stakeholder management in construction (Adapted from Molwus *et al.,* 2017)

Construct	**Indicators**
Stakeholder characteristics and project characteristics (SCPS)	Clearly formulating the project mission
	Ensuring the use of a favourable procurement route
	Identifying and listing the project stakeholders from the onset
	Ensuring the use of flexible project organisation
	Identifying and understanding stakeholders' areas of interests
Stakeholder analysis (SA)	Determining and assessing the attributes (power, urgency, legitimacy and proximity) of stakeholders in/to the project
	Appropriately classifying stakeholders according to their attributes
	Predicting and mapping stakeholders' behaviours
	Predicting stakeholders' potential influence on the project
	Predicting stakeholders' potential influence on each other
	Identifying and analysing possible conflicts and coalitions among stakeholders
Stakeholder dynamics (SD)	Resolving conflicts among stakeholders effectively
	Managing the change of relationship among stakeholders
	Managing the change of stakeholders' interests
	Managing change of stakeholders' attributes
	Managing the change of stakeholders' influence
	Predicting stakeholders' likely reactions for implementing project decisions
	Managing how project decisions affect stakeholders
Stakeholder engagement (empowerment) (SE)	Involving relevant project stakeholders at the inception stage and whenever necessary to refine project mission
	Communicating with stakeholders properly and frequently
	Keeping positive relationships among stakeholders
	Formulating appropriate strategies to manage/engage different stakeholders
	Considering corporate social responsibilities (paying attention to economic, legal, environmental, and ethical issues)

In terms of SCPC, clear understanding of projects' and stakeholders' characteristics would avail the project manager with sufficient information concerning the project and its stakeholders. SCPC is dependent upon the ability to clearly formulate the project mission; adopt a favourable procurement route for the project; carefully identify and list the project stakeholders; ensure the use of flexible project organisation; and identify and understand stakeholder areas of interest.

SA is indicated by the ability to determine and assess stakeholders' attributes; appropriately classify stakeholders according to their attributes; predict and map stakeholders' behaviours; predict stakeholders' potential influence on each other and on the project; and identify and analyse possible conflicts and coalitions.

SD is indicated by the ability to effectively resolve conflicts among stakeholders; manage change of stakeholders' interest and influence; manage change of stakeholders' attributes; manage change of relationships among stakeholders; predict stakeholders' likely reaction for implementing project decisions and manage how project decisions affect stakeholders.

SE is indicated by the ability to involve relevant stakeholders in refining the project mission whenever necessary; formulate appropriate strategies to manage different stakeholders; keep and promote positive relationships among the stakeholders; communicate with stakeholders properly and frequently with feedback mechanisms; and consider all social responsibility issues surrounding the project.

Furthermore, Molwus *et al.* (2017) found that SCPC influence SA; SA in turn influences the understanding of SD; and the understanding of SD will enable SE. Moreover, it was found that only SE has a direct positive impact on project success. The other three constructs SCPC, SA and understanding SD collectively impact on project success through the construct, SE. Obtaining information on SCPC is a major pre-condition step in the process of stakeholder management.

Based on the conceptual modelling, Molwas *et al.* (2017) recommended the following practical steps for successful stakeholder management in construction projects: identify SCPC; carry out SA; understand SD; and decide SE techniques.

3 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter addresses the research methodology adopted for this study. While mixed methods have been used in previous studies on stakeholder management, this research report uses qualitative methodology and uses a single case study approach. The instrument for data collected is the semi-structured questionnaire, consisting of both closed- and open-ended questions. The chapter also discusses the reasons that a case study is the most appropriate method for the report; the data collection technique, and data analysis procedure that were followed. This chapter concludes by discussing the ethical quandaries that could be imposed by the data collection and the confidentiality agreement that was put in place.

3.2 RESEARCH DESIGN

3.2.1 Research paradigms

There are purists on the sides of both quantitative and qualitative research paradigms. ‘Quantitative purists’ support a positivist philosophy, where the observer and the observed are separate and independent, social science inquiry is objective, the researcher remains uninvolved with the study subjects, and tests prove hypotheses (Burke Johnson and Onwuegbuzie, 2004; Krauss, 2005; Mackenzie and Knipe, 2006).

In contrast, ‘qualitative purists’ (also called constructivists, naturalists, or interpretivists) assert that multiple-constructed realities exist, that time- and context-free generalizations are not possible, that research is value-bound, that it is impossible to differentiate fully cause and effect, that explanations are generated inductively from the data, and that knower and known cannot be separated because the subjective knower is the only source of reality (Burke Johnson and Onwuegbuzie, 2004). Whereas positivist research is most commonly aligned with quantitative methods, constructivist research utilises qualitative methods or a combination of both qualitative and quantitative (mixed methods) (Mackenzie and Knipe, 2006).

'Pragmatism', as another research paradigm, is not committed to any one system of philosophy or reality and provides the underlying philosophical framework for mixed-methods research (Mackenzie and Knipe, 2006). Wahyuni (2012) noted that pragmatists view research as a continuum, where the research question informs the research framework, with both quantitative and qualitative methods being used because it enables them to better understand how social reality works. Creswell and Clark (2011, pg. 2) define mixed methods research as the class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study.

Table 5 below provides some of the main differences between quantitative and qualitative research.

Table 5: Differences between qualitative (naturalist/constructivist) and quantitative (positivist) research (Adapted from Kumar, 2005)

Differences with regard to	**Quantitative research**	**Qualitative research**
Underpinning philosophy	Positivism or postpositivism is the traditional foundation for quantitative research that measures variables in order to make causal inferences and generalisations about reality.	Constructivism/interpretivism is the traditional foundation for qualitative research that describes multiple realities through a reflexive process, to interpret the meaning of and contexts for individuals' experiences.
Approach	Structured/rigid/pre-determined	Unstructured/flexible/open
Main purpose of investigation	Quantify extent of variation	Describe variation
Measurement variables	Emphasis is on the measurement or classification of variables	Emphasis on description of variables
Sample size	Greater sample size	Fewer cases
Dominant research topic	Explains prevalence, incidence, extent, formulates theories	Explores experiences, meanings, perceptions and feelings
Analysis of data	Subjects variables to frequency distribution, cross-tabulations, and other statistical operations	Subjects responses, narratives or observation data to identification of themes
Communication of findings	Inferences and conclusions are drawn, testing magnitude and strength of a relationship	Descriptive and narrative

3.2.2 Justification for research approach followed

Previous studies on stakeholder management have used a combination of research methods (Yang *et al.,* 2009; Amoatey *et al*., 2017; Molwus *et al*., 2017) where authors explored the relative importance and inter-relationships of critical success factors for stakeholder management in construction projects. The respective authors first identified critical success factors from comprehensive literature reviews, and conducted face-to-face interviews using semi-structured questionnaires to obtain opinions in order to gain a deeper understanding. Quantitative analysis (attitudinal scales) was used to determine the ranking of the CSFs.

One of the objectives of the research study – *Identify the critical success factors for effective stakeholder management in the UCT fundraising environment* – asks the "what" question, and therefore lends itself to a qualitative research approach. Furthermore, although many of the stakeholder management studies use quantitative research methodology, this research report uses qualitative data in the form of frequency tables, open-ended questions and the case study approach to inform a deeper understanding of the issues.

3.3 CASE STUDY METHOD

The case study method is based on a constructivist paradigm and considers the "how" and "why" questions which need to be answered, as well as contextual conditions relevant to the study (Baxter and Jack, 2008).

There are examples of research studies where case studies have been used to develop stakeholder management frameworks (Sutterfield *et al.*, 2006; Olander, 2003; van Offenbeek and Vos, 2016). Since the 'context' (i.e. a higher education institution) is relevant to this research report, the case study method has been selected for use in this research study, with the case study having both exploratory and descriptive characteristics.

Table 6 lists the type of case studies and their uses.

Table 6: Type of case studies and their uses (Adapted from Baxter and Jack, (2008)

Type of case study	Use
Explanatory	If seeking to answer a question that sought to explain presumed causal links in real-life interventions that are too complex for the survey or experimental strategies.
Exploratory	When exploring those situations in which the intervention being evaluated has no clear, single set of outcomes
Descriptive	Used to describe an intervention or phenomenon and the real-life context in which it occurred.
Multiple-case	Enables the researcher to explore comparisons and differences within and between cases in order to replicate findings across cases.
Intrinsic	Used when the case itself is of interest and not to come to understand some abstract construct of phenomenon, nor to build theory.
Instrumental	Used to accomplish something other than understanding a particular situation. Provides insight into an issue or to help refine a theory. The case is of secondary interest and plays a supportive role, facilitating understanding of something else.
Collective	Similar to multiple case studies.

Yin (2003) on the otherhand identifies three types of case study strategies: multiple, embedded, and single case studies. A case study can be used in many situations and is particularly useful and powerful in studies which involve "*Community psychology and sociology*", as well as in "*Organisational and management studies*" (Yin, 2003).

It is critical that the research question is focused and clear. The single case study aims to focus the research question to a single bounded case, which can then be used to aid in answering the research question. The single case study is used when the phenomena are unprecedented or rare, or the case is intrinsic (Yin, 2003). For this study the single case study approach was used.

3.4 UNIT OF ANALYSIS

The unit of analysis identifies what the case aims to study (Yin, 2013). It is therefore necessary to refer to the research question in order to establish who or what is the subject of the study (Yin, 2013). The unit of analysis is therefore stakeholders involved in fundraising projects at the University of Cape Town.

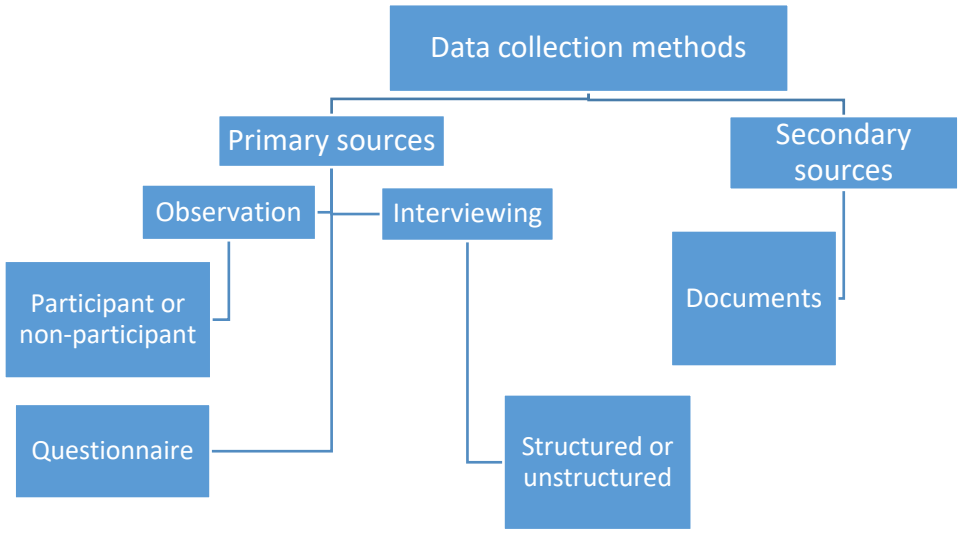
3.5 DATA COLLECTION

3.5.1 Data collection sources

As shown in **Figure 2**, data can be collected using primary or secondary sources, with the choice being informed by the research objectives, resources available, investigator skills, as well as demographic characteristics of the study population. Interviews are commonly used to collect data from people (Kumar, 2005).

Figure 2: Methods of data collection

(Adapted from Kumar, 2005)



With unstructured interviews (constructivist/interpretivist paradigm) the content, structure and questions are flexible with the highly skilled interviewer makes use of in-depth interviews, focus groups, narratives or oral histories. Structured interviews on the other hand, have a defined set of questions, which provide uniform information, enabling comparability of data. An interview schedule or questionnaire can be used as a research instrument for the structured interview. This consists of a written list of questions (open- or close-ended) for use by an interviewer in a face-to-face interaction (Kumar, 2005).

For the purpose of this research report, both primary and secondary data were collected. Primary data was collected during interviews with respondents using semi-structured questionnaires. Secondary data was gathered using a review of the literature, as well as case study documentation.

3.5.2 Construction of the questionnaire

Previous studies on critical success factors in project stakeholder management (Yang *et al.,* 2009; 2010; Amoatey *et al*., 2017; Molwus *et al*., 2017; Nwachukwu *et al*., 2017) utilised mixed methods i.e. structured questionnaires containing both closed- and open-ended questions, where attitudinal scales were used to rank the CSFs.

For this research report, a semi-structured questionnaire was used. A set of closed and open-ended questions was used to allow for unrestricted responses from the participants. The structured interview approach was chosen because a relatively small sample (10 respondents) was used.

An example of the semi-structured questionnaire used in the study can be seen in **Appendix A**. The researcher provided respondents with a definition of stakeholders at the start of the interview. The researcher also explained to respondents the various ways in which stakeholders can be classified, afterwhich the researcher went through seven questions with respondents. The interview took up to an hour to complete.

3.6 SAMPLING STRATEGY

The researcher selected 10 respondents for the study. The 10 respondents were randomly selected from a list of projects that were nearing completion or that had been completed within the last six months. The respondents comprised individuals who were actively involved in fundraising at the university. Six of the respondents worked in various academic departments and four worked in the Development and Alumni Department (“Development Office”).

3.7 DATA ANALYSIS

Qualitative analysis methods are varied and often complex, and can be divided into two groups, viz. those methods arising from a specific theoretical or epistemological approach, for example grounded theory, or those methods which are independent of theory or epistemology, for example thematic analysis. Thematic Analysis (TA) is a qualitative method used for identifying and analysing patterns or themes within data (Braun and Clarke, 2006).

TA has been used in this study, as it is a useful form of qualitative data analysis for particularly those researchers not experienced in other more advanced forms of qualitative research (e.g. grounded theory) and is considered a foundational method for qualitative analysis (Braun and Clark, 2006).

As summarised by Maquire and Delahunt (2017), the TA process consists of six steps:

- Step 1 – Become familiar with the data: The researcher should read and re-read the transcripts, in order to become familiar with the entire body of data;
- Step 2 – Generate initial codes: The researcher starts to organise the data into a meaningful and systemic manner, so that the coding process reduces lots of data into smaller chunks of meaning;
- Step 3 – Search for themes: With small data sets, it is not uncommon to find overlaps between the coding stage and the stage of identifying preliminary themes. There may also be several codes aligned with a single theme;
- Step 4 – Review themes: During this step the researcher reviews, modifies and develops the preliminary themes that were identified in Step 3 and checks whether they make sense;
- Step 5 – Define themes: This step entails the final refinement of the themes, including understanding whether there are any relationships between sub-themes, and
- Step 6 – Write-up. The researcher writes up the themes identified into a report.

3.8 ETHICAL CONSIDERATIONS

The ethical considerations implemented in this report included informed consent, and confidentiality. An information sheet and consent form were sent to each interviewee prior to the interview session, and no interviews were conducted without the consent of the interviewee to proceed with the interview.

The respondents were coded as Respondent (Resp) 1, Respondent (Resp) 2, etc. No reference was made to which department the repondent resided or the rank of each respondent. All the original transcripts only had the respondents' code listed and the transcribed documents have been saved in a password protected file.

The information sheet and consent form can be found in **Appendix B**.

4 DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

This chapter reports on the findings gathered from the data collection. Data was collected using semi-structured interviews. The data was then analysed to determine frequency of responses and identification of key themes. The themes that emerged have been analysed and presented.

4.2 THE UNIVERSITY OF CAPE TOWN

4.2.1 Overview

The University of Cape Town (UCT) provides the context for the research study. UCT is South Africa's oldest university, and is the highest ranked university in Africa (http://www.uct.ac.za/main/about/history). UCT is a research-intensive university, with six faculties lead by executive deans. The Vice-Chancellor (VC) heads the institution.

UCT has over 26,000 students and over 4,000 staff (academics, professional and administrative staff). The university's vision is to be an "inclusive and engaged research-intensive African university that inspires creativity through outstanding achievements in learning, discovery and citizenship; enhancing the lives of its students and staff; advancing a more equitable and sustainable social order and influencing the global higher education landscape." Its mission is to be committed to engaging with the key issues of our natural and social worlds through outstanding teaching, research and scholarship, and to advance the status and distinctiveness of scholarship in Africa through building strategic partnerships across the continent, the global south and the rest of the world.

4.2.2 Fundraising

Development offices have been established at many universities around the world in response to the pressures faced to diversify their income streams (Daly, 2013). UCT

is no exception, and since its establishment 20 years ago, the university's Development and Alumni Department ("Development Office") has as its mandate to raise financial support from external stakeholders, including donors and government.

At UCT all major capital campaigns, as well as smaller, faculty-based projects are co-ordinated by the Development Office. The VC, deans, academics and faculty fundraisers work in a co-ordinated manner with the Development Office to develop and implement fundraising strategies for the various projects.

As described previously in the Literature Review, Aaltonen and Kujala (2016) characterised 'institutional context' as one of the key dimensions of the stakeholder landscape. The authors found that institutional contexts which lack structures and governance models for effectively engaging stakeholders, make stakeholder management more challenging.

At UCT, fundraising co-ordination takes place via a structured, governance process. All fundraising projects come for approval at the University Development Committee (UDC), which is chaired by the VC, with Deputy VCs, deans and Executive Directors all UDC members. There could be over 60 fundraising campaigns and projects the Development Office fundraising staff is involved with at any point in time. Each project has different funding needs, ranging from capital items to operating costs. All projects have targets and defined timelines for fundraising.

Fundraising projects have diverse stakeholders, key among these being the academics who lead the fundraising initiatives (the 'project leaders'), students and researchers (the 'internal beneficiaries'), and neighbouring communities (the 'external beneficiaries'). Daly (2013) noted that Directors of Development work with a variety of different stakeholders within and outside of the university. Furthermore, the Development Director's role is developing opportunities for internal and external stakeholders to make a strategic contribution to building the capacity of the university in relation to fundraising and alumni relations.

Once projects get the 'green light' at the UDC, the fundraising project cycle can continue. Project conceptualisation includes project approval (UDC), proposal

development and prospect research. Project implementation includes the phase where active donor solicitation and cultivation takes place. Project review and close-out is when targets have been reached and donor stewardship activities intensify, for example, submitting reports to donors which detail the impact of their funding on the project. This supports the work of Harrison (2018), who asserted that stewardship allows for accountability to the donor by providing an important loop back to the beginning of the process for new fundraising efforts, and Jongbloed *et al.* (2008), who pointed out the concept of "accountable governance" when dealing with stakeholders in higher education institutions.

The 'institutional context' whereby the fundraising process is governed at the highest level via the UDC, therefore, provides a structured and co-ordinated approach not only for fundraising, but also for stakeholder management.

Each faculty has a staff member who is responsible for fundraising. The VC is the chief fundraiser for the university. The Executive Director of the Development Office reports directly to the VC and together with his team of professional fundraisers, supports the VC in this role.

4.3 THE STAKEHOLDERS IN THE UCT FUNDRAISING ENVIRONMENT

Respondents (n = 10) were asked to name the key stakeholders in the fundraising projects they were involved with. These are listed in **Figure 3**.

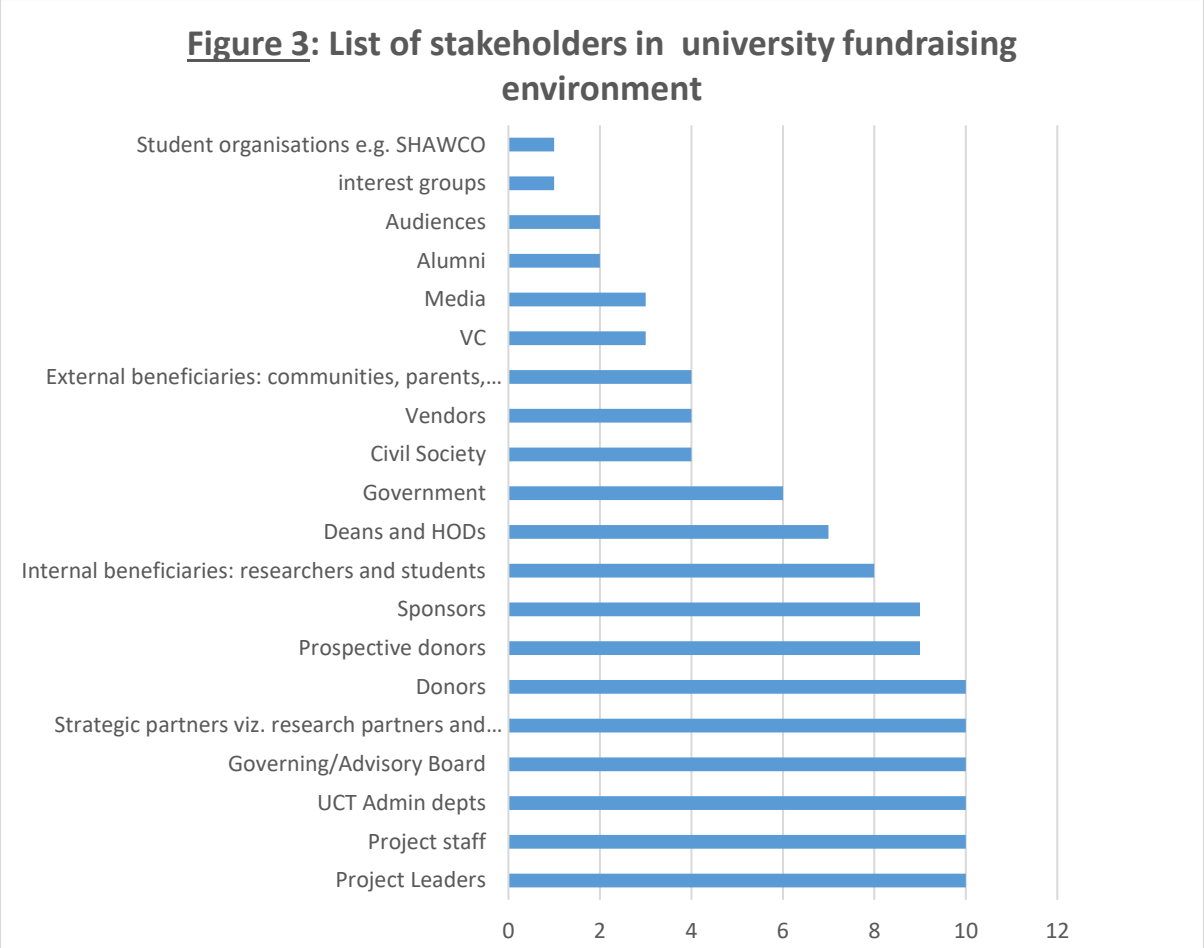


Figure 3: List of stakeholders in the UCT fundraising environment

As shown in **Figure 3** above, respondents identified quite a number of different stakeholders, both internal and external. According to Karlsen *et al.* (2008) as the number of stakeholders in the project increase, the greater the project complexity, as each of the stakeholders usually come with their own interest in the project which may lead to different priorities and conflicts, i.e. the more challenging stakeholder management becomes. Satterwhite and Cedja (2004) highlighted the complexity of the university capital campaign, due to the number and nature of the stakeholders involved.

All respondents identified project leaders, project staff, UCT administrative staff, governing/advisory boards, strategic partners, and donors as key project stakeholders. This is comparable to the higher education stakeholders listed by Jongbloed *et al.*, (2008).

From the findings, it would appear that respondents had a main focus on 'internal' stakeholders, viz. project leaders, project staff, administrative staff, deans and HODs, including 'internal' beneficiaries (students and researchers). This result is not unexpected, as the mission of the university frames its work around teaching, research and scholarship (as opposed to outreach work).

The findings identified and confirmed that **project leaders** are a key stakeholder group, as they are the 'clients' for whom the professional fundraisers within the Development Office, specifically, render the fundraising service.

Jongbloed *et al.* (2008) asserted that since the academic community represents the core of scientific production, it is the basic internal stakeholder constituency without which the university cannot function optimally.

Project staff were also identified as important stakeholders. This makes sense, as the fundraisers are reliant on obtaining additional, often specific information about the project from the project staff when the project leaders who are most often leading academics, are being kept busy with their research and teaching responsibilities.

The respondents also identified **UCT administrative staff** as key stakeholders. This finding also makes sense, as they provide (or often withhold!) pertinent data, for example financial information, which is necessary for proposal development and donor reports. This supports the research of Jongbloed *et al.* (2008) who noted the growing importance of the role of professional and administrative staff in higher education ("influential gatekeepers").

Students and researchers ('internal beneficiaries') were identified as a key stakeholder group. This is in agreement with Jongbloed *et al.* (2008), who asserted that higher education's most important stakeholder constituency are the students (the "customers of higher education institutions").

A surprising finding was that only 30% of respondents identified the **Vice-Chancellor** as a key stakeholder. This is in contrast with prevailing research which found that the

University President has the most important role to play in fundraising (Bradford Hodson, 2010; Nehls, 2012). However, it should be noted, that at the time of the interviews, the university was experiencing a transition in leadership. While leadership transitions do impact negatively on fundraising campaigns, strong 'informal' leadership (in the form of Development Office staff or advisory board members) mitigate the potential negative effects (Nehls, 2012).

With regard to external stakeholders, less than two thirds (60%) of respondents identified **government** as a key stakeholder, which is surprising, given that they are the main funder of higher education. Jongbloed *et al.* (2008) noted government to be one of the most important stakeholders of higher education, even labelling government as being a 'definitive' stakeholder according to the Mitchell *et al*. (1997) classification.

Over 80% of respondents identified **strategic partners, donors, prospects and sponsors**, as key stakeholders. This finding is in agreement with Wangenge-Ouma and Cloete (2008), who asserted that in a climate of reduced state funding, there is an imperative for universities to engage with these types of stakeholders, in order to increase third stream income.

All respondents identified the **board of trustees** (also called governing/advisory board) as a key external stakeholder group. This is in agreement with Nehls (2012), who stated that they they provide an important source of "informal leadership" during a fundraising campaign.

Less than half of respondents identified **external beneficiaries** and **civil society**, respectively, as important stakeholders. This result is not surprising, given the university's focus internally as a research-intensive university.

Only a small proportion of respondents identified the **media** as an important stakeholder group. This contrasts to the findings of Olander and Landin (2008), who found that the **media**, as a powerful stakeholder, can be an ally for project managers in communicating project progress and project decisions with a relatively low risk of harming the project.

4.4 CLASSIFICATION OF STAKEHOLDERS AT UCT

As outlined in Chapter 3, the researcher explained to respondents, at the start of the interviews, the various ways in which stakeholders can be classified (Savage *et al.,* 1991; Mitchell *et al*., 1997). The respondents classified the stakeholders as follows:

Projects leaders:

The overwhelming majority of respondents (90%) classified project leaders as being **'mixed-blessing'**, while only 10% of the respondents classified them as being supportive.

In addition, 60% of the respondents classified project leaders as having the attributes legitimacy and urgency. This classifies project leaders as 'expectant' (specifically, dependent) stakeholders, with moderate stakeholder salience.

As previously stated in the Literature Review, while the mixed-blessing stakeholder can play a major role in the project, the project manager faces a stakeholder whose potential to threaten or to collaborate with the project is equally high (Karlsen, 2002). The author further noted this group of stakeholders may include clients and "employees who are in short supply".

The fact that respondents classified project leaders as 'mixed blessing' is not surprising. Many project leaders, especially at UCT, are internationally renowned academics (the type of employee who is normally "in short supply") who are leading major research projects, and for whom fundraising is critical. They are important clients for fundraising staff, but can also be challenging stakeholders, and can become demanding clients (the sense of "urgency" for fundraising to be successful). Furthermore, because they are so busy with their research, they often do not have time to engage with fundraisers who need information for example, for proposal development.

The findings support the work of Daly (2013), who found that for the Director of Development, one of the most challenging aspects is gaining the trust and confidence of the academic community, particularly in getting them to understand how the

development office can work with them." Moreover, the author found that Directors of Development expressed frustration at how the time spent working internally in this area prevents them from engaging more in the external, specifically fundraising, aspects of their role.

Project staff:

Compared to how respondents classified project leaders, fewer respondents (50%) classified project staff as being 'mixed-blessing', and all of the respondents classified project staff as only having the legitimacy attributes.

This makes project staff latent (specifically, discretionary) stakeholders with low stakeholder salience. This makes sense as project staff are normally more helpful (fundraisers tend to rely quite a lot on project staff for information) and are unlikely to threaten fundraising projects.

UCT administrative staff:

90% of respondents classified this group of stakeholders as being 'mixed-blessing' and having all three salience attributes of legitimacy, urgency and power (80%).

According to the salience model (Mitchell *et al.,* 1997), this makes administration staff a 'definitive' stakeholder, i.e. high stakeholder salience. This supports the assertion that university administration staff are "influential gatekeepers" within the university (Jongbloed *et al.,* 2008), having the power to provide or withhold necessary information.

Strategic partners:

80% of respondents classified this group of stakeholders as being supportive and all respondents thought that strategic partners have all three salience attributes i.e. legitimacy, urgency and power, i.e. they are a definitive stakeholder with high stakeholder salience.

Jongbloed *et al.* (2008) noted that there are various forms of strategic partnerships at a university, for example, business ventures with corporates, research consortia, as well as strategic partnerships within and between universities within certain academic

disciplines. The fact that strategic partnerships are mentioned in UCT's mission, underscores their high stakeholder salience.

Governing/advisory boards:

60% of respondents classified these as being supportive with 40% of respondents classifying them as being mixed-blessing. All respondents felt that governing/advisory boards have all three salience attributes i.e. legitimacy, urgency and power, i.e definitive stakeholder.

This is consistent with the finding of Nehls (2012), who asserted that the Board of Trustees are an indispensable group of volunteers who provide critical support to fundraising endeavours especially during leadership transitions. Furthermore, the author noted that Boards are set up to support the Development Office with regard to enhancing opportunities for fundraising.

Donors and sponsors:

All respondents said that these stakeholders are supportive and 90% classified them as having all three salience attributes i.e definitive stakeholders.

This finding is not unexpected and supports the work of Daly (2013), who highlighted that given the systematic reduction in government funding over the decades, an increased proportion of universities' income is required to come from philanthropic sources.

However, as described previously in the literature, this high salience classification of donors can come at a 'cost'. In fundraising jargon, this is termed "donor-led", i.e. when the donor starts defining the terms of engagement. Nonetheless, respondents classified this group of stakeholders as being supportive, which is in agreement with Gearhart (1995, p. 87), who noted that "benefactors of all ages and philanthropic levels generally want to be a part of a successful enterprise."

Internal beneficiaries:

All respondents identified these stakeholders as supportive. The majority of respondents (80%) thought that they had legitimacy. With a single salience attribute,

this group is a ‘latent’ (discretionary) stakeholder, having low salience. Their ‘discretionary’ stakeholder status means they have no power to influence and no urgent stakeholder claims, and furthermore, there is no obligation to engage in an active relationship with such a stakeholder (Mitchell *et al.,* 1997).

This assertion may strongly be countered, however, with the recent #FeesMustFall protests, where students at many South African campuses, including UCT, rose up and, often violently, forced universities and the government to address higher education funding policies (Pillay, 2016).

This is aligned with the assertion of Jongbloed *et al.* (2008), who, with regard to the power attribute, referred to the growing pressure from students, parents and legislators to force universities to adopt more cost-conscious operating principles.

Deans and HODs:

Just over half of respondents classified these stakeholders as being supportive, while just under half of respondents classified them as mixed-blessing. All respondents were of the view that Deans and HODs have power, legitimacy and urgency i.e. they are a definitive stakeholder.

This result is not surprising, as deans and HODs have to provide authorisation to academics to proceed with fundraising for a project in their faculty/department.

4.5 THE IMPORTANCE OF STAKEHOLDERS ACROSS THE PLC

As stated previously in the Literature Review, Assudani and Kloppenborg (2010) found that stakeholders’ influence can change during the project life cycle (PLC), and therefore recommended continuous stakeholder identification and prioritisation during the different stages of a project.

Respondents were asked which stakeholders were more important at the various stages of the PLC. All respondents identified project leaders as being important at the **project conceptualisation** phase of the project.

Though less important, respondents also felt that strategic partners and project staff were important at project conceptualisation. It makes sense that respondents recognised the importance of project leaders – given their mixed-blessing classification – at project conceptualisation stage. Therefore, respondents in this study recognised that involving project leaders very early on in the project might mitigate any negative effects they might have on the project early on.

This is in agreement with the work of Kolltveit and Gronhaug (2004), who asserted that the potential influence of stakeholders is highest in the early phase of the project, before a detailed agenda is set and the cost involved for making changes is low, and is also when uncertainty (Kolltveit and Gronhaug, 2004) and dynamism (Aaltonen, *et al*. 2015) is highest.

Respondents noted that project leaders, strategic partners, UCT Admin departments and project staff were also important at **planning stage**. This finding makes sense as projects cannot be planned without the input of project leaders, as the clients of fundraising. UCT administrative staff also play an important role during the planning phase, as fundraisers rely on these stakeholders for important information.

Respondents were of the view that at **project implementation** stage project leaders, project staff, strategic partners, donors, UCT Admin departments and internal beneficiaries were important.

This finding makes sense as fundraising projects cannot be implemented without the support of these stakeholders. It makes also sense that donors and strategic partners play an important role during project implementation as they provide the resources for the projects to be implemented, and often they want to play a role in implementation. However, as mentioned before, donors' active role in implementation could come at a cost (Gearhart, 1995).

At the **review/close-out** phase, respondents felt that project leaders, donors and strategic partners were important.

This finding makes sense, as during this phase of the project, fundraisers meet wth project leaders to review the success of the project/campaign. It also makes sense for donors to be involved at the end of projects, as it is during this phase of the project when stewardship activities increase, which supports the work of Harrison (2018) who asserted that stewardship provides an important loop back to the beginning of the process for new fundraising efforts.

Accordingly, the Development Office staff spend a large part of their time working on donor reports and submitting these to donors. These reports describe to donors the impact of their funding on the project, which also supports the "accountable governance" notion of Jongbloed *et al.* (2008). It is also at project close-out that donor events are often arranged to thank donors for their support (as part of the stewardship process).

4.6 STRATEGIES FOR DEALING WITH STAKEHOLDERS AT UCT

This section highlights the stategies that are used with the four main groups of stakeholders, identifed and discussed in section 4.3 above, namely project leaders, the UCT Administrative staff, strategic partners, and donors/sponsors. Results are presented for stakeholders where the following main four themes (or strategies) emerged:

Giving regular feedback

Respondents viewed 'giving regular feedback' to be an important strategy for dealing with project leaders, UCT Admin staff, strategic partners, and donors/ sponsors.

80% of the respondents stated that requlr feedback was an important strategy for dealing with **project leaders**.

In this research report, project leaders were found to be mixed-blessing stakeholders, and Jergeas *et al.* (2000) stressed the importance of providing feedback, especially important for managing expectations and 'hidden agendas'.

Furthermore, Karlsen (2002) and Savage *et al.* (1991) highlighted the importance of collaborating with mixed-blessing stakeholders, as well as Jugdev and Muller (2005), who also stressed the importance of maintaining a collaborative working relationship as a 'partnership' with stakeholders. Moreover, giving feedback supports the work of Aaltonen and Sivonen (2009), who highlighted employing the "influencing strategy", which involves active and innovative information sharing.

As described in the Literature Review, Aaltonen and Kujala (2016) highlighted uncertainty as a dimension in the project stakeholder landscape, with Ward and Chapman (2008) noting that this uncertainty is related to who the relevant stakeholders are, their ability to influence a project, and their motives with respect to how their actions affect project activity.

The researcher in the present study therefore asserts that project leaders, being 'mixed-blessing' stakeholders, might possibly be a cause of uncertainty in projects. Therefore, the giving feedback strategy might mitigate against the uncertainty project leaders might cause for the project.

The respondents in the present study exemplified their strategy of 'regular feedback' with project leaders through the following responses: Resp 1: *"Giving regular feedback is important."* Resp 2: *"Have regular update meetings."* Resp 3: *"Regular meetings are important."* Resp 4: *"Keep them informed and updated."* Resp 5: *"Keep them informed"* Resp 6: *"Provide monthly reports to internal stakeholders."* Resp 7: *"Always inform them of proposals that are submitted."* Resp 8: *"Inform project leaders of strategy."*

Only 40% of respondents noted the strategy of giving regular feedback for **UCT Administrators**. This result is unexpected, given that the present study found UCT Administration staff to be mixed blessing and 'definitive' stakeholders. Therefore, it would make sense that more respondents in the present study would feel that giving regular feedback would be important, given UCT Admin staff's high salience and ability to both threaten or collaborate; also the fact that they are "influential gatekeepers" (Jongbloed *et al.*, 2008). UCT Admin staff might also be a source of uncertainty in projects, given their 'mixed-blessing' classification.

Those respondents who highlighted giving regular feedback to UCT administrators as an important strategy, stated the following: Resp 1: *"Regular touch base and feedback is important."* Resp 2: Resp 3: *"Keep them informed."* Resp 4: *"Have regular meetings to share information."*

30% of respondents highlighted the importance of regular feedback to **strategic partners**. This result is surprising, given that strategic partners are critically important for the sustainability of universities, especially in a climate of reduced state funding (Wangenge-Ouma and Cloete, 2008).

Their approach to giving regular feedback to strategic partners is exemplified by the following responses: Resp 1: *"Regular feedback important as they have the same vested interest in the outcomes."* Resp 2: *"Regular feedback is important as by keeping them involved they help out where necessary."* Resp 3: *"Managing these stakeholders is very time-consuming, so very important to include everybody in the feedback from the beginning."*

40% of respondents mentioned the importance of providing regular feedback to **donors and sponsors**. Yet again, this is a surprisingly low response from respondents, given that donors were found to be mainly supportive and definitive donors. It is worrying in fact, as providing regular feedback to donors can be considered an important component of donor stewardship.

Respondents expressed regular feedback to donors as follows: Resp 1: *"Regular feedback important as they have an enlightened self-interest."* Resp 2: *"Provide them with ongoing information about the impact of their donation".* Resp 3: *"Inform them of the impact of their giving."* Resp 4: *"Keep them informed of the progress of the project."*

Maintaining good communication

As discussed previously, Pinto and Slevin (1988) as well as Karlsen (2002) highlighted the importance of continuous two-way communication with clients throughout the life of the project.

Respondents highlighted ‘maintaining good communication’ as an important strategy for dealing with **project leaders** and **UCT Admin Departments**. For these mixed-blessing stakeholders, the maintenance of good communication is necessary to maintain collaboration, and to reduce the chances of them turning against the project.

40% of respondents felt that maintaining good communication was important with **project leaders (PLs)**, as demonstrated by the following responses**:** Resp 1:*“One-on-one communication important.”* Resp 2: *“Good communication’s important.”* Resp 3: *“Important to keep open communication.”* Resp 4: *“Some PLs do not follow protocols are they are uninformed. Have to communicate risks of not following protocols."*

30% of respondents highlighted good communication as an important strategy for **UCT Admin departments.** This response is surprising low, given that Chinyio and Akintoye (2008) asserted that stakeholders with high power and interest will expect to be kept fully informed and even consulted before significant decisions are made.

Responses were as follows**:** Resp 1: *“Constant communication is important.”* Resp 2: *“Many admin staff have no sense of urgency. Good communication is important for them to understand urgency else have to escalate."* Resp 3: *“For non-supportive admin departments, ensuring there are alternative ways to mitigate risk. For example, there tends to be a high level of bureaucracy among low-level staff. Some abuse their power. Ensure more senior people are copied to avoid low level staff being obstructive"*

Personal engagement / relationship-management

All respondents highlighted the importance of personal engagement/relationship management with **UCT Admin Departments.** This is in agreement with the findings of Daly (2013), who determined that relationship-building is fundamental to negotiating the complex nature of higher education institutions, which entailed Directors of Development working across different sectors in the university, with a variety of different internal stakeholders.

UCT Admin departments were also found to be ‘definitive’ stakeholders in this research report. This is in agreement with Jongbloed *et al.* (2008), who asserted that

higher education administration departments are “influential gatekeepers” between the management and the academic staff. In this research report, respondents’ strategies to deal with UCT Admin departments were expressed by the following sentiments: *“Personal engagement important. Invite them to events.” “Give them invitations to events.” "Continuous buy-in initiatives are important". “Personal engagement is important.” "Ensuring there is continuity in the engagement". “Face to face interaction is important.” "Keeping it jovial. Relationship management is important". Gauging people's personalities and working within those parameters. “Keep them informed and engaged.” “Try to create a family environment.” “Relationship-building is important.”*

70% of respondents mentioned personal engagement’ / ‘relationship-management’ as a strategy for **donors / sponsors.** This is in agreement with the work of Daly (2013), who found that Development Office Directors develop opportunities for external stakeholders to make a strategic contribution to building the capacity of the university in relation to fundraising and alumni relations. Moreover, the author found that Directors of Development understood that personal relationships with donors to be a key part of their role.

Respondents’ perspectives on personal engagement / relationship building with donors / sponsors were expressed as: Resp 1: *“Make them feel part of the entire experience.”* Resp 2: *“Phoning instead of emailing. The personal touch is important.”* Resp 3: *“One-on-one engagement is important as they have the same goals.”* Resp 4: *“You need to go the extra mile.”* Resp 5: *“Relationship-building is important. Invite them to events.”* Resp 6: *“Relationship management is important. Share best practices.”* Resp 7: *“Invite donors to events to see first-hand the impact of their giving.”*

Excellent stewardship / accountability

60% of respondents in this research report regarded stewardship / accountability as an important strategy when dealing with **donors / sponsors.** This finding is somewhat surprising, as one would have expected all the respondents to mention stewardship as a strategy.

According to Harrison (2018), “Few quality fundraisers would ignore the importance of stewardship, namely, the act of appropriately thanking and engaging donors, in their efforts to increase financial support to their organisations.” The author also asserted that stewardship allows for accountability to the donor by providing an important loop back to the beginning of the process for new fundraising efforts. This is in agreement with the work of Jongbloed *et al.* (2008), who stressed the concept of “accountable governance” when dealing with stakeholders in higher education institutions. In fundraising terms, it is understood to imply demonstrating impact to donors, and being transparent about how donors’ money has been used, and what has been accomplished, so that they will continue giving to the university.

Harrison (2018) further highlighted the link between stewardship and communication, with the communication involved being reciprocity, responsibility, reporting, and relationship nurturing. Daly (2013) found that Directors of Development valued donor stewardship with utmost importance.

The sentiments of the respondents were expressed by the following responses: Resp 1: *"Excellent stewardship is important: thank, thank and thank."* Resp 2: *"Some donors come with clear objectives. Others are flexible and still open to negotiation. Excellent stewardship is therefore important, in order to have the ability to negotiate terms of donor agreement."* Resp 3: *“Hold external stakeholder breakfasts. Donors make introduction to other donors.”* Resp 4: *“Have regular stakeholder meetings.”* Resp 5: *“Being very responsive when dealing with donors”.* Resp 6: *“Deliver donor reports on time.”*

4.7 CSFs FOR EFFECTIVE STAKEHOLDER MANAGEMENT AT UCT

Respondents were asked to identify five critical success factors (CSFs) (out of a list of 22 identified from the construction literature) for effective stakeholder management, which they thought were important in the UCT fundraising environment. They were then asked to provide reasons for their choice. **Table 7** lists the respondents’ frequency of responses of the critical success factors. The most important CSFs are discussed.

Table 7: CSFs for stakeholder management at UCT

Critical success factor	No. of respondents
Keeping and promoting positive relationships with stakeholders	10
Communicating with stakeholders properly and frequently	9
Considering corporate social responsibilities (paying attention to economic, legal, environmental, and ethical issues)	7
Clearly formulating the project mission	7
Formulating appropriate strategies to manage/engage different stakeholders	6
Involving relevant project stakeholders at the inception stage	5
Predicting stakeholders' potential influence on each other	2
Identifying and understanding stakeholders' areas of interests in the project	2
Carefully identifying and listing the project stakeholders from the onset	1
Determining and assessing the attributes (power, urgency, legitimacy and proximity) of stakeholders in/to the project	1

As previously described in the Literature Review, Molwus *et al.* (2017) conducted research to determine the inter-relationships of the CSFs and their impact on project success.

While the present study did not attempt quantitative analysis, the findings (**Table 7)** are in support of the work of Molwus *et al.* (2017), in that in terms of the frequencies of responses for the respective CSFs, the most important CSFs are among the cluster of "SE" (stakeholder engagement) CSFs.

According to Molwus *et al.* (2017), SE is indicated by the ability to involve relevant stakeholders in refining the project mission whenever necessary; formulate appropriate strategies to manage different stakeholders; keep and promote positive relationships among the stakeholders; communicate with stakeholders properly and frequently with feedback mechanisms; and consider all social responsibility issues surrounding the project. The author also found that SE was positively correlated to project success.

As is shown in **Table 7**, all respondents identified ***'Keeping and promoting positive relationships with stakeholders'*** as a critical success factor (CSF). This finding aligns with the key theme "personal engagement' / relationship-management" which

emerged as a strategy for dealing with stakeholders such as UCT Admin departments and donors/sponsors. It also supports the work of Karlsen *et al*. (2008), who asserted that relationship-building is the single most important factor in stakeholder management.

Moreover, this CSF is aligned with the normative approach to stakeholder management, which implies that stakeholder management should take place within a mutually supportive framework (Donaldson and Preston, 1995).

When respondents were asked why they selected this CSF, their responses highlighted certain themes, viz. relationship-building; regular feedback; building trust; clarity of roles, as demonstrated by their responses: Resp1*: "The personal touch is important. It is all about relationship-building. You need to go out of your way to make people feel part of the entire experience, from the initial contact to the day the project closes. It is important to follow-through, keeping them informed of the progress of the project, extending them to other works in the organisation."* Resp2*: "As a soft-funded centre, we need to keep good relationships with our stakeholders. Our sustainability depends on it*." Resp3: *"Often people mistrust, and building trust is important in order for people to work together effectively."* Resp4: *"Ensures that everyone continues to understand what their role is."* Resp5: *"Because of the relationship, you can get donor intelligence, for example donor interests."* Resp6: *"Helps to get information from bureaucratic departments."* Resp7: "If stakeholders are not happy *then they won't be eager to respond to you when you need something from them. It is important for meeting deadlines. About exchange of information".* Resp8: *"Important for future and ongoing relationships."* Resp9: *"Helps to clear up conflicting expectations, can only manage it through maintaining good relationships."* Resp10: *"Builds trust among project team and stakeholders."*

Nine respondents selected ***'Communicating with stakeholders properly and frequently'*** as a CSF. This aligns with the finding w.r.t the key theme "Maintaining good communication", as a strategy for dealing with key stakeholders such as project leaders and UCT admin staff.

When respondents were asked why they selected this CSF, their responses highlighted certain themes – regular feedback; satisfaction of expectations; conflict avoidance; role clarity; relationship-building – through the following responses: Resp1: *"Important to make them feel part of the project, sharing information along the course of the project".* Resp2: *"We have a number of stakeholders, and communication to ensure everyone is on the same page and satisfied is a full-time job."* Resp3: *"To avoid being misunderstood and avoid conflict and tension."* Resp4: *Very important to ensure that everyone understands what their role is"* Resp5*: "Communication is critical, it is ongoing, to build strong relationships."* Resp6: *"Important in order to mitigate any possible misunderstandings."* Resp7: *"Communication is essential to being informed around the clock about the progress of the campaign."* Resp8: *"Ensure expectations are being met. Check all the time you're on the same page."* Resp9: *"Good communication can avoid conflict."*

Seven respondents identified ***'Considering corporate social responsibilities (paying attention to economic, legal, environmental, and ethical issues)'*** as a CSF. This CSF aligns with the theme of "excellent stewardship / accountability" which emerged as a strategy for dealing with UCT stakeholders, most notably donors.

This finding supports the assertion by Savage *et al*. (1991), in that organisations should be socially responsible and voluntarily seek ways to satisfy their key stakeholders to avoid adverse actions.

Moreover, Yang *et al.* (2009) determined that this critical success factor was a "pre-condition factor" for stakeholder management. This CSF also supports the normative approach of stakeholder management (Donaldson and Preston, 1995; Aladpoosh *et al.,* 2012).

When respondents were asked why they selected this CSF, their responses highlighted certain themes – ethical approach; socially responsive; values; stewardship – through the following responses: Resp1: *"It is an ethical responsibility to treat stakeholders this way."* Resp2*: "The mission of our organisation is to be socially responsive and benefit society. So this aligns with that."* Resp3*: "It is important to be working with stakeholders within an ethical framework"* Resp4: *"We must show*

our external stakeholders that we are aligning with their values." Resp5*: "It is about ethical fundraising for the project"* Resp6: *"Working within this framework avoids damage control later on."* Resp7: "*We have to engage stakeholders ethically and honestly. It's the same as donor stewardship."*

Seven respondents selected ***'Clearly formulating the project mission'*** as a CSF. This supports the work of Amoatey *et al.* (2017), who asserted that 'formation of a project mission statement' is a necessary requirement for effective stakeholder management and project success.

When respondents were asked why they selected this CSF, their responses highlighted certain themes – achievement of deliverables; objectives; measurable outcomes; accountability – through the following responses: Resp1*: "The project mission is what funders want to see, they want to know their money is being spent on what it was set out to be achieved."* Resp2: *"It is important right at the start, know what you're working towards and aiming for. This helps to formulate the deliverables in order to know whether you've succeeded or not."* Resp3: *"This is important, for setting clear deliverables from the start."* Resp4: *"This is important as it raises the standard. It helps with positioning the project, and with accountability."* Resp5: *"This helps with coming up with a clearly defined set of project objectives and measurable outcomes."* Resp6*: "You always to keep in mind what you want to achieve."* Resp7*: "The mission determines whether you are on the right path and is about accountability"*

Six respondents selected **'Formulating appropriate strategies to manage/engage different stakeholders.** This is in agreement with the work of Karlsen (2002) and others (Savage *et al.* (1991)*;* Aaltonen and Sivonen, 2009) who recognised the need to develop strategies to deal with stakeholders.

The reasons respondents gave for choosing this CSF highlights the following themes – relationship-management; satisfy expectations – through the following responses: Resp1: *"This helps to know what kind of engagement you need to have."* Resp2: *"Not managing conversations can become chaotic. There are too many people involved. It is better to have one senior person involved. Avoiding mixed messages coming from the institution."* Resp3: *"Important, to maintain a long-term relationship with*

stakeholders." Resp4: *"Helpful for managing complex web of relationships."* Resp5: *"Stakeholders are different, with different expectations, and so require appropriate engagement at different levels"* Resp6: *"Stakeholders are diverse, and have different needs and expectations. Need to satisfy them but a one-size fit all approach does not work."*

Five respondents cited **'Involving relevant project stakeholders at the inception stage'** as a CSF. This supports the work of Olander and Landin (2008), who highlighted the importance of gaining external stakeholder acceptance in the inception stages of projects, and that this was linked to project success.

The following key themes – early buy-in; common understanding – emerged from their responses: Resp1: *"If you don't get buy-in from stakeholders, it is hard to implement the project*; Resp2: *"It is important to bring stakeholders along the entire cycle to make them understand the work of the organisation. Need to have a common voice*". Resp3: *"If you don't do things right at the start, you're in trouble."* Resp4*: "It is important for consensus-building."* Resp5: "*It is important in order to influence the outcome of the project. Do it early enough for buy-in".*

4.8 THE INFLUENCE OF THE CSFs FOR STAKEHOLDER MANAGEMENT ACROSS THE PLC

Respondents in the present study were asked to list which of the critical success factors (CSFs) they identified are important during the various stages of the project life cycle (PLC). All ten respondents highlighted the following four critical success factors for stakeholder management as being important at each phase, i.e. **throughout** the PLC:

- Clearly formulating the project mission;
- Communicating with stakeholders properly and frequently;
- Keeping and promoting positive relationships among stakeholders, and
- Considering corporate social responsibilities (paying attention to economic, legal, environmental, and ethical issues).

The findings support the work of Pinto and Slevin (1988), who determined that project mission was important at each stage of the project (conceptualisation, planning, execution, termination), which suggests always keeping the goals and purpose of the project in focus throughout the project.

Furthermore, and as has been previously pointed out, Pinto and Slevin (1988) highlighted that 'client consultation' was found to be very important at three of the four PLC stages. The authors asserted that 'client consultation' is in fact a "communicating, listening and feedback activity", and that the project team should "engage in continuous two-way communication throughout the life of the project" (Pinto and Slevin, 1988, p.73).

Karlsen (2002) also advised that communication with the client and other stakeholders throughout the project cannot be over-stressed. This is also in line with the key themes 'giving feedback' and 'maintaining good communication' which respondents in this present study highlighted as strategies for dealing with stakeholders.

With regard to '**keeping and promoting positive relationships with stakeholders'**, this finding is in alignment with both Karlsen *et al*. (2008) and Aaltonen *et al*. (2012), who placed great emphasis on the importance of managing the relationship between the project and its stakeholders.

The respondents in this study felt that '**considering corporate social responsibilities** (paying attention to economic, legal, environmental, and ethical issues)' was important throughout the PLC. This is not unexpected, and aligns somewhat with the finding of Yang *et al*. (2009), who determined that this critical success factor is so important, it is in fact a "pre-condition" for stakeholder management.

5 SUMMARY AND CONCLUSION

5.1 INTRODUCTION

This chapter discusses the main findings of the research report by reviewing the research objectives and the research proposition guiding the research. The report discusses the main research objectives as set out in Chapter One and demonstrates how they have been achieved, and then addresses the research proposition, question and aim. Conclusions and recommendations for future research are given.

In determining whether the research study has set out to answer the research problem and achieve the stated objectives, it is necessary to revisit the research question and respective research objectives. The main research question was formulated as: *What are the issues that need to be considered for developing a stakeholder management strategy for university fundraising projects?*

In order to more fully understand the “issues”, it was then necessary to *identify the issues which need to be considered when developing a stakeholder management strategy for university fundraising projects* (the research aim).

5.2 THE RESEARCH OBJECTIVES

The research aim lead to the development of the following research objectives. The main research findings are summarised in relation to each objective.

5.2.1 Identify the key stakeholders involved in fundraising projects at a South African public higher education institution

The research has identified a number and variety of stakeholders within the UCT fundraising environment. There was, however, a focus on **internal stakeholders**.

This aligns with the work of Jongbloed *et al.* (2008), who highlighted that without **project leaders** (the academics) the university cannot function as they are the core of

knowledge production. In terms of project stakeholder management discourse, they are the most important 'clients' within the university fundraising environment, and is therefore not unexpected as UCT positions itself as a research-intensive university.

The research also identified the importance of the **UCT administrative staff.** As discussed previously, this group of stakeholders serve as influential gatekeepers in the university fundraising environment (Jongbloed *et al.*, 2008) and accordingly could provide requisite information freely, or could use their authority to withhold important information.

This aligns with the work of Frooman (1999), who described stakeholder influencing strategies. Being "influential gatekeepers", UCT admin staff might utilise 'withholding' or 'usage' strategies as a means to manipulate the flow of resources to the project. This would be an interesting area for further research.

Students and researchers (internal beneficiaries) were also identified as important stakeholders within the university fundraising context. This again supports the work of Jongbloed *et al.* (2008) who highlighted students as being the most important "customers" within the university.

With regard to external stakeholders, **strategic partners and donors** were identified as being the most important. This is congruent with the context within which the university operates, in that government subsidy is on a sharp decline, and the university is therefore increasingly dependent on these groups of external stakeholders for sustained third stream income.

It was surprising to find that the **Vice-Chancellor** was not identified as a key stakeholder within the university fundraising environment. This is not in line with research (Bittingham and Pezullo, 1990; Cook, 1997) which state that the President must not only support the campaign, but is the central player and must be prepared to be the "strongest advocate" (Geahart, 1995, p. 50).

Critical roles of the President during the fundraising process include internal and external stakeholder management (Satterwhite and Cedja, 2004). However, this could

be due to the timing of the research, which took place during a VC leadership transition, and also explains why the **Board of Trustees** was identified as a key external stakeholder.

5.2.2 Classify the key stakeholders involved in fundraising projects at a South African public higher education institution

The Savage *et al.* (1991) (ability to collaborate with, or threaten the project) and Mitchell *et al.* (1997) (salience) methods were used to classify the university stakeholders. Not unsurprisingly, **project leaders** were found to be '**mixed-blessing'** stakeholders, i.e. stakeholders who can play a major role in the project, but risks equally threatening or collaborating with the project. They were also determined to have **moderate stakeholder salience**.

This is corrobated with research which found that university fundraisers (Development Directors, specifically) spend a disproportionate amount of their time gaining the trust and confidence of the academic community (Daly, 2013). Furthermore, Karlsen (2002) asserted that some stakeholders cause high uncertainty and problems for the project and stressed the importance of finding out which stakeholders cause the most uncertainty and problems to the project.

It would therefore be interesting, in future research, to determine what the role, if any, academics play in causing uncertainty for university fundraising projects. Moreover, this would be a seemingly paradoxical situation as they are the main clients of university fundraisers.

UCT administrative staff were also found to be **mixed-blessing**, however, they had high salience (**'definitive'** stakeholder salience), which further substantiates the research that they are indeed "influential gatekeepers" within the university (Jongbloed *et al.*, 2008).

Given that this group of stakeholders are also mixed-blessing, plus the fact that they also have the power attribute (being definitive stakeholders), means that they could possibly also cause uncertainty in fundraising projects.

Donors and strategic partners were classified as **supportive**, with high salience (**definitive** stakeholders). Gearhart (1995) cautions that this can come at a cost i.e. when donors start defining the terms of engagement. In fundraising jargon, it is said that the situation becomes “donor-led”, which is a potentially problematic place for fundraisers to be in.

The **internal beneficiaries** (students and researchers) were found to be **supportive**, with **low salience**. This is a rather surprising finding, as between the period 2015 to 2017 students’ voices were seen to become very powerful with the #FeesMustFall moviement. Therefore, it would be natural to assume that they could be a source of uncertainty in fundraising projects.

However, it would be interesting to determine whether, if other university stakeholders had been the respondents in this research report, for example academics or UCT admin staff), they might have had a different response. The respondents in this research report were university fundraising staff, who do not have much face-to-face contact with students, in contrast with academics and UCT admin staff.

5.2.3 Determine the importance of stakeholders involved in fundraising projects at a South African public higher education institution across the project life cycle

It is interesting to note that respondents identified **project leaders** to have the most influence **across** each phase of the project life cycle. This makes sense, given that respondents’ identified them as being ‘mixed-blessing’ stakeholders and therefore, their influence for causing threat or uncertainty should be mitigated against throughout the project. Hence also, the need for giving feedback on a monthly basis.

While respondents identified strategic partners, project staff and also UCT administrative staff as being important at **project planning** stage, respondents

identified identified a mix of stakeholders (i.e. both internal and external) being important at **project implementation** stage.

At the **review/close**-out phase of the project, respondents viewed donors and strategic partners to be important. This aligns with the work of Harrison (2013) who asserted that stewardship allows for accountability to the donor by providing an important loop back to the beginning of the process for new fundraising efforts.

5.2.4 Identify strategies used when dealing with stakeholders involved in fundraising projects at a South African public higher education institution

In Chapter 2 an overview of the strategies for dealing with stakeholders was provided. In Chapter 4, the kind of strategies used in the UCT fundraising environment was explored.

Respondents identified the importance of **giving feedback** to project leaders, UCT administrative staff, strategic partners and donors, as a stakeholder management strategy.

For **project leaders** in particular, which elicited the strongest response from respondents, the importance of keeping them updated on the progress of projects was highlighted, either through monthly meetings or monthly reports. This is not surprising, especially since project leaders might be a source of uncertainty in projects, and giving them regular feedback might be a way to mitigate against this. This supports the work of Savage *et al.* (1991) who encouraged collaboration for mixed-blessing stakeholders, and Aaltonen and Sivonen (2009), who highlighted the 'influencing strategy' i.e. active information sharing for proactively shaping stakeholders' demands.

Respondents highlighted '**maintaining good communication**' to be an important strategy for dealing with project leaders and UCT Admin Departments. However, this strategy was found to be slightly less important than giving feedback. It could be that respondents felt that giving feedback was a more proactive approach, however, this is something that could possibly be further explored.

Miller and Lessard (2001) highlighted that stakeholders can mobilize if there is ineffective engagement. Respondents identified '**personal engagement / relationship management** as an important strategy for dealing with UCT administrative staff as well as donors. The respondents highlighted the "personal touch" and importance of relationship management in the engagement, and the example used was sending them invitations to events.

It is interesting that project leaders were not identified as a stakeholder group for use with this strategy, and it would be interesting to determine the reasons.

Respondents identified **'excellent stewardship' / 'accountability'** as a strategy for dealing with donors, and highlighted thanking donors continually and demonstrating accountability, e.g. submitting donor reports on time. This corrobates research highlighting the importance of stewardship for increasing financial support to higher education (Jongbloed *et al.*, 2008; Harrison, 2018), and supports the normative approach of stakeholder management (Donaldson and Preston, 1995).

5.2.5 Identify the critical success factors for effective stakeholder management at a South African public higher education institution

All respondents identified '**Keeping and promoting positive relationships among stakeholders'** as an important critical success (CSF) factor for effective stakeholder management within the university fundraising environment. This corroborates the research by Karlsen (2002) who asserted that maintaining good relationships was the most important CSF for effective stakeholder management.

This finding also further substantiates the finding that personal engagement / relationship management is an important strategy for dealing with stakeholders, which furthermore supports the normative approach of stakeholder management (Donaldson and Preston, 1995).

Respondents identified **'communicating with stakeholders properly and frequently'** as an important CSF. One could argue that good communication is

necessary for maintaining positive relationships. As discussed earlier, giving feedback and maintaining good communication were identified as separate strategies for managing stakeholders, and it might be that giving feedback is more proactive whereas maintaining good communication is more 'reactive' i.e. as a strategy to avoid conflict. This is evident in the respondents' individual responses around communication as a CSF.

Respondents identified **'considering corporate social responsibilities'** and **'clearly formulating the project mission'** as important critical success factors. The former CSF is aligned with the stakeholder management strategy of stewardship / accountability, which is a very important part of the fundraising process for keeping donors satisfied. Respondents noted that this was a necessary part of "ethical fundraising". Furthermore, in the construction research, this CSF was found to be a "pre-condition factor" for stakeholder management (Yang *et al*., 2011), which again supports the normative approach of stakeholder management.

'**Project mission'** tends to be a "hard" stakeholder management issue, i.e. respondents noted that this was important for being able to achieve the project deliverables and for measuring project outcomes. This is aligned with the work of Pinto and Slevin (1988) who found the 'Project Mission' to be a critical factor for project success throughout the life cycle of the project.

The respondents identified '**formulating appropropriate strategies'** as an important critical success factor. As discussed previously, there are various strategies to deal with the different types of stakeholders. This corrobates the findings in this study where respondents felt that a "one size fits all approach" does not work. What is more, this research study has deemed it fit to formulate a research objective around strategies to deal with university stakeholders, which substantiates the importance of this CSF in stakeholder management.

Respondents also identified '**involving relevant stakeholders at the inception stage**' as an important critical success factor, noting that it is important for buy-in and consensus-building. This supports research which highlights that the potential influence of stakeholders is highest in the early phase of the project, which is also

when uncertainty and dynamism is highest (Kolltveit and Gronhaug, 2004; Aaltonen *et al.,* 2015).

5.3 RE-VISITING THE RESEARCH QUESTION AND RESEARCH PROPOSITION

In Chapter Four the main issues were identified as being: Who are the key stakeholders in the university fundraising environment? How are they classified? What are the strategies that can be used when dealing with key stakeholders? What is the importance of university stakeholders across the project life cycle? What are the critical success factors for effective stakeholder management in the university?

The research identified there was a main focus on internal stakeholders, as well as certain external stakeholders necessary for providing third stream income to the university. Internal stakeholders were found to be important throughout the project life cycle, with external stakeholders also playing an important role also at the close-out phase of the project. Some of the strategies employed to deal with stakeholders were also those highlighted as critical success factors for effective stakeholder management within the UCT fundraising environment. Internal stakeholders possibly cause uncertainty in projects, and hence strategies used could mitigate against the possible negative affects.

Therefore, with this research report, the research question has been answered and the research proposition has been met.

5.4 CONCLUSION AND RECOMMENDATIONS

In a climate of systematic cuts in governments funding to universities' threatening universities' third stream income, properly managing fundraising through project management principles become important.

This research report set out to identify the issues which need to be considered when developing a stakeholder management strategy for university fundraising projects. The research has provided insight into which stakeholders are the most important for

UCT fundraising projects, strategies for managing them based on their classification, and the critical success factors for effective stakeholder management.

The research has identified that there are a number and variety of stakeholders in the UCT fundraising environment. This could give rise to project complexity affecting the stakeholder landscape. The most important stakeholders in the UCT fundraising context are project leaders (academics), UCT administrative staff, internal beneficiaries (students and researchers), strategic partners and donors. There is a focus on internal stakeholders more so than external stakeholders, and may be explained by the fact that internal stakeholders have an equal ability to threaten or collaborate with projects and therefore are a source of uncertainty in projects. External stakeholders are mostly supportive of fundraising projects.

Strategies used to manage stakeholders include giving regular feedback, maintaining good communication, personal engagement / relationship management, and excellent stewardship / accountability. Given that project leaders as well as UCT Admin staff might cause uncertainty in fundraising projects, it would be wise to enhance 'proactive' stakeholder management strategies for these stakeholders, viz giving regular feedback.

The increasing dependency on external funding makes it even more important to continue and enhance stewardship / accountability activities for donors. The critical success factors found to be of priority for effective stakeholder management for university stakeholders reinforce the importance of relationship management, communication, and working with stakeholders within an ethical framework (which reinforces the normative approach to stakeholder management).

Furthermore, the research highlighted the importance of always keeping the project mission in mind, and involving project relevant project stakeholders right from the time the project starts.

Moreover, project leaders were found to be important throughout the life cycle of the project and donors and sponsors towards the end/review stage of the project, when

these stakeholders should be brought in to gain an understanding of the impact of their funding on the project. This is an important issue for stewardship and accountability.

5.5 AREAS FOR FURTHER RESEARCH

As mentioned in the first chapter, there tends to be a focus on project management and “hard projects” e.g. in the built environment, IT etc. In contrast, there is a dearth of research on “soft” projects within the context of project management. Fundraising projects could be considered soft projects, and therefore, this research report provides further opportunity to explore project management issues that affect fundraising projects. For example, this research report identified that project leaders and UCT administrative staff were both important stakeholders who could also be sources of uncertainty in fundraising projects. A possible area for future research could be to better understand the reasons for this. These groups of stakeholders could be interviewed to better understand their roles in the fundraising process. This might lead to strategies to enhance fundraising at the university.

The research found that the Vice-Chancellor was not an important stakeholder relative to other internal stakeholders; however, the research pointed out that this was possibly due to the leadership transition at the time of the research. It would therefore be interesting to determine, in future research, whether after the transition, this perception has shifted.

The Board of Trustees were found to be an important stakeholder group, and in the American setting they are positioned as ‘volunteers’. This opens up an area of research, to determine their role as volunteers in the SA higher education context.

Finally, it would be important to do a comparative study at another higher education institution, as the conclusions drawn are limited by the single case study.

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7 APPENDIX A: SEMI-STRUCTURED QUESTIONNAIRE

RESPONDENT 1

Preamble to questions:

Give background to the study:

Over the last few decades, government support for public higher education has been systematically declining. Hence, the pressure on universities to find additional third stream income to fund operational costs has intensified. Special fundraising projects have been devised to bring in donor money for strategic capital projects, academic, research as well as outreach programmes**. Stakeholder management** is one of the core 'knowledge areas' of project management and for any project (including fundraising project) to be successful, effective stakeholder management is critical. This study aims to identify the critical success factors for effective stakeholder management in university fundraising projects.

Definitions:

Stakeholders are those individuals or groups who are core members of the project team ('internal stakeholders'), or those who affect, or are affected by the decisions, activities as well as outcomes of the project ('external stakeholders'). The traditional stakeholder constituency of a university includes students, academics, administrative staff, and executive management (the 'internal' stakeholders). The external or 'non-traditional' stakeholder constituencies comprise research communities, alumni, donors, industry, social movements, consumer organisations, governments, professional associations, and so on.

Stakeholders can be classified in terms of their ability to *collaborate with*, or *threaten* a project. The '**supportive'** stakeholder (= "ideal") has low potential to threaten the project, and high potential for collaboration.

The '**non-supportive' stakeholder** (the most distressing for a project) has high potential to threaten the project, and low potential for collaboration.

'Marginal' stakeholders have low potential to threaten the project but also low potential for collaboration. (They are generally third parties).

'Mixed-blessing' stakeholders - the potential for threat or collaboration are equally high.

Stakeholders can also be **classified** according to the 'salience' attributes of '**power', 'legitimacy' and 'urgency'**. (Salience = degree to which **priority** is given to stakeholders amidst competing stakeholder claims. So generally, project managers ("PIs") tend to pay more attention to stakeholders they perceive to have more salience).

Power = ability of a stakeholder to mobilize social, political or economic forces/resources, or influence the nature and extent of resources available to the project. So the more powerful stakeholders are, the more salient their requests are to project managers (PIs).

Legitimacy = moral or legal claim a stakeholder has to influence a project. So the more legitimate a stakeholder's claim are, the more likely they are to receive positive responses.

Urgency = the degree to which stakeholder claims call for immediate action.

Proceed to questions:

Q. 1 List your key stakeholders	**Q. 2 Classify the stakeholders:** Are they: Supportive (S); Non-Supportive (N-S); Marginal (M); Mixed-blessing (M-B)	**Q. 3 Which strategies do you use to deal with/manage these stakeholders? Can you give practical examples?**	**Q. 4 Which of the following attributes do these stakeholders have? (Note: they can have 1, 2 or 3 attributes)** - **Power** - **Legitimacy** - **Urgency**

Q 5. I would now like to explore the influence of the stakeholders during different stages of the project life cycle.

Which stakeholders are more important at **project conceptualisation stage**	Which stakeholders are more important at **project planning stage**	Which stakeholders are more important at **project implementation stage**	Which stakeholders are more important at **project close-out/review stage**

Q.6 Research has identified about 20 critical success factors (CSFs) for **effective stakeholder management** (these have been for **construction projects)**. (CSFs are those activities and practices that should be addressed in order to ensure effective management of stakeholders). Please go through the list and identify 5 which you think are the most important CSFs for stakeholder management in the UCT fundraising environment.

Q. 7 Why are these so important?

Q. 6 Critical success factors for effective stakeholder management	**Q. 7 Why are these so important?**
Involving relevant project stakeholders at the inception stage	
Identifying and understanding stakeholders' areas of interests in the project	
Communicating with stakeholders properly and frequently	
Managing how project decisions affect stakeholders	
Resolving conflicts among stakeholders effectively	
Keeping and promoting positive relationships with stakeholders	

Carefully identifying and listing the project stakeholders from the on set	
Clearly formulating the project mission	
Identifying and analysing possible conflicts and coalitions among stakeholders	
Predicting stakeholders' likely reactions for implementing project decisions	
Formulating appropriate strategies to manage/engage different stakeholders	
Predicting stakeholders' potential influence on the project	
Managing the change of stakeholders' influence	
Determining and assessing the attributes (power, urgency, legitimacy and proximity) of stakeholders in/to the project	
Considering corporate social responsibilities (paying attention to economic, legal, environmental, and ethical issues)	
Appropriately classifying stakeholders according to their attributes	
Managing the change of relationship among stakeholders	
Managing the change of stakeholders' interests	
Predicting and mapping stakeholders' behaviours (supportive, opposition, neutral, etc.)	
Predicting stakeholders' potential influence on each other	
Managing change of stakeholders' attributes	
Ensuring the use of flexible project organisation	

Q.8. The critical success factors for successful stakeholder management – are there any CSFs to consider during the different stages of the project?

What do you think are the most important CSF(s) to consider at the **beginning of a project?**	What do you think are the most important CSF(s) to consider **once the project is being implemented**?	What do you think are the most important CSF(s) to consider at **the close-out phase of the project?**	What do you think are the most important CSF(s) to consider **throughout the project?**

Thank you very much for your participation in this study. Your identity and responses will only remain known to me!

Deidre Adams

8 APPENDIX B: INFORMATION SHEET AND CONSENT FORM

TITLE: STAKEHOLDER MANAGEMENT IN UNIVERSITY FUNDRAISING PROJECTS

Student: Deidre Adams (LNGDEI001)
Degree: MSc (Project Management)
Constructions Economics and Management Department, Faculty of Engineering & the Built Environment, University of Cape Town

Dear

I am conducting a research study in partial fulfilment towards a Masters (MSc.) degree.

Background to study:
Over the last few decades, government support for public higher education has systematically declined. The pressure on universities to find additional third stream income to fund operational costs has therefore intensified. Special fundraising projects have been devised to bring in donor money for strategic capital projects, academic, research as well as outreach programmes**.**
Stakeholder management is one of the core 'knowledge areas' of project management and for any project (including fundraising project) to be successful, effective stakeholder management is critical. This study aims to identify the issues for effective stakeholder management in university fundraising projects.

For this research study, I will be conducting interviews with project leaders such as yourself who are leading strategic fundraising projects at the University of Cape Town, and as one of the core members of ….., I would like to invite you to participate. Your participation is entirely voluntary, and you are free to withdraw your participation at any time during the interview, without any negative consequences. However, I would be very grateful if you would assist me by allowing me to interview you. Your identity will remain anonymous and I will treat your responses with absolute confidentiality.

Should you agree to participate in my research study, then I would require approximately 45 minutes of your time, for a semi-structured interview. I would come to your office at a mutually convenient time for the interview (preferably late afternoon, during the June exams, if that is suitable).

Please note that participation is entirely voluntary and no reimbursement or direct benefits are due to respondents. There is also no foreseeable risk or harm as a result of participation in this study. Once the data has been analysed and written up, feedback will be given to you (if you would like it).

Regards,

Deidre