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Stakeholder Management Strategies in Sustainable Commercial Property Development Process.

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ABSTRACT: The study investigated the strategies that can be adopted for the management of stakeholders for sustainable commercial property developments in Port Harcourt, Rivers State, Nigeria. The research employs a qualitative research approach, applying the case study design methodology for an indebt investigation and understanding. Primary data was collected through Semi-structured interviews between the researcher and the respondents. Respondents are registered professionals in the real estate institutions, such as: Nigerian Institution of Estate Surveyors and Valuers (NIESV); Real Estate Development Association of Nigeria (REDAN); and the Association of Estate Agents of Nigeria (AEAN). Participants were chosen based on their experience and expert knowledge in the field of study. The interview was a face-to-face interview between the researcher and interviewees with audio tape recordings between 30 to 45 minutes on average. The data collected was analyzed using thematic content analytical approach. The results of the investigation indicated that, a good stakeholder management approach which involves identification of stakeholders, as well as their relevance in a commercial property development scheme, is critical for the success of any property development. The study further reveals five strategies that can be used in order to ascertain the relevant stakeholders in a property development scheme such as: identifying the relevant stakeholders for involvement/inclusion; information passing stage; ascertaining stakeholders with legitimate and significant opinions; stakeholders' identifying stakeholders; and the assessment stage. The study recommends that, it is pertinent that stakeholder management strategies for stakeholder identification and inclusion be adopted in every commercial property development scheme, for sustainability and achievement of higher levels of success in property development projects.

Keywords: *Development, Stakeholder, Stakeholder's Management, Commercial Property.*

I. INTRODUCTION

Project stakeholder is any individual, organization or group who may affect, be affected by or perceive to be affected by a decision, activity, or outcome of a project' (Project Management Institute, 2014).

The execution of property developments involves and affects a wide range of stakeholders with different attributes, interests, needs and concerns who hold the capacity to influence the project negatively or positively (Olander, 2007). Property developments are very sensitive to decision and actions taken by any stakeholder (Aaltonen, 2010). Almost all projects operate in a circumstance where its respective stakeholders play a primary role in the accomplishments of tasks (Olander & Landin, 2005). It then means that it is crucial for Stakeholder review and identification to be conducted throughout a project's life cycle (Bourne, 2005). This is to say that, Stakeholders of a particular project will vary during the life cycle of the project in terms of needs, numbers and influence. Therefore, the interests, thoughts as well as the motivation of all the project stakeholders that have an influence on the success of the development should not be ignored (Bourne, 2005).

Stakeholder management is a broad and universal management concept; however, for the purpose of this study the focus is its location within the project development aspect of the management function. It is critical for project managers to identify stakeholders early in the project execution stage and to analyze their levels of interest, expectations, relevance and influence. Effective stakeholder management is concerned to financial performance and leads to shareholder value creation (Bourne & Walker, 2006). Ihuah (2015) maintains that stakeholder management focuses on three main themes: Identifying the nature of stakeholders, investigating their circumstances and their influence or organizational decisions and operations, and identifying various perspectives to handle stakeholders, and to identify all people or organizations impacted by the project. The main purpose of early stakeholder involvement and team integration is to form the project objective, which needs to be as coherent and realistic as possible, and to which all the stakeholders have contributed (Lichtig, 2006).

Professional stakeholder management ensures that all appropriate factors needed for the success of property developments are identified, factored in, and harnessed, in order to ensure successful delivery.

However, in most commercial property developments, stakeholder management or involvement has been totally ignored. The absence of these key stakeholders is suspected to result to delay in construction of the project, abandonment, theft, wastage of materials on site during construction and so on. The reason for most issues or challenges on site is due to the fact that the demands of different stakeholder groups vary, and a project can benefit one stakeholder group whilst simultaneously having a negative impact on others. Thus, accommodating the various stakeholders' needs and interests, as well as balancing their differences, conflicts and power relationships through a stakeholder management practice, is vital for the successful execution and delivery of property development projects. Therefore, this study seeks to examine those stakeholders' management strategies that can be involved in the process of commercial property development.

1.1 Aim and Objectives of the Study

The aim of this research investigates stakeholder management, in the development process, for sustained commercial development property values. The objectives of this study, includes to:

- i. Identify the stakeholders in sustainable commercial property developments.
- ii. Ascertain the stakeholder management strategies in sustainable commercial property development.

II. LITERATURE REVIEW

Karlsen (2002) stated that stakeholders are any person(s) or party with an interest in the result of a project and or an ability to put forth influence. However, this corresponds to the definition of Olander and Landin (2005), that stakeholders are individuals, groups or organizations that a project may influence or can influence a project, and can have a direct or indirect connection to a project.

2.1 Property Development Stakeholder

According to Bourne (2005), Property Development stakeholder is defined as an individual or groups who have an interest or some aspect of rights or possession in the development, can contribute in the form of knowledge or support or can impact or be impacted by the project development. In any project there are a number of stakeholders. Project management's processes are affected by project stakeholders (Olander, 2007). The impacts that stakeholders' create on a project influence its success either directly or indirectly (Bourne & Walker, 2006). Some authors assert that a project's success depends on the proper management of the stakeholders (Jeageas et. al., 2012; Gibson, 2000; Lim & Mohamed, 2005)).

Yang *et. al.*, (2014) acknowledged the relevance of knowing what project stakeholders actually expect from the project, as one of the areas that ensures an entire project's success. According to Olander and Landin (2005), benefits for the stakeholder community establish one of the four criteria for evaluating project success. Acknowledging stakeholders influence is important to plan and execute an adequate precise stakeholder management process (Olander & Landin, 2005). Trust and dedication amongst stakeholders can be built and maintained by a systematic relationship management (Bourne & Walker, 2006; Karlsen, 2002).

2.2 Property Development Stakeholder Management Process

Property development stakeholder management process requires identifying the people, groups, or organizations that could influence or be influenced by the project, and includes to examine stakeholder expectations and their impact on the project, and to develop appropriate management process for effectively engaging stakeholders in project decisions and execution (Lim & Mohamed 2005). This includes the processes and activities performed that are critical to property managers or developer to identify stakeholders in the early stage of project implementation and to analyses their levels of interest, expectations, incapacity and influence. Stakeholder management also centres on steady communication with stakeholders to understand their needs and expectations, addressing issues as they occur, managing conflicting interests and proffering appropriate stakeholder engagement in development's decisions and activities (Gibson, 2000).

2.3 Stakeholder Assessment and Identification Methods/Strategies

Assessment which according to the Macmillan Dictionary (online, 2014) is defined as "the process of making a judgment or forming an opinion, after considering something or someone carefully". Therefore, the identification of the relevant stakeholders to project developments can be so dangerously momentous because of the technical, social-economic, political, and especially, the operational purpose of a project such as to commercial property developments (Medeiros de Araujo and Bramwell, 1999 cited in Ihuah 2015). The assessment method of being identified or not being identified as a relevant stakeholder is essential to the whole planned process of effectual involvement in order to achieve the sustainability anticipated in the commercial property development scheme. The conceptualized diagrammatic representation of Fig. 2.2 revealed five steps to follow in order to identify the relevant stakeholders' that needs involvement/inclusion in commercial property development scheme for sustainability.

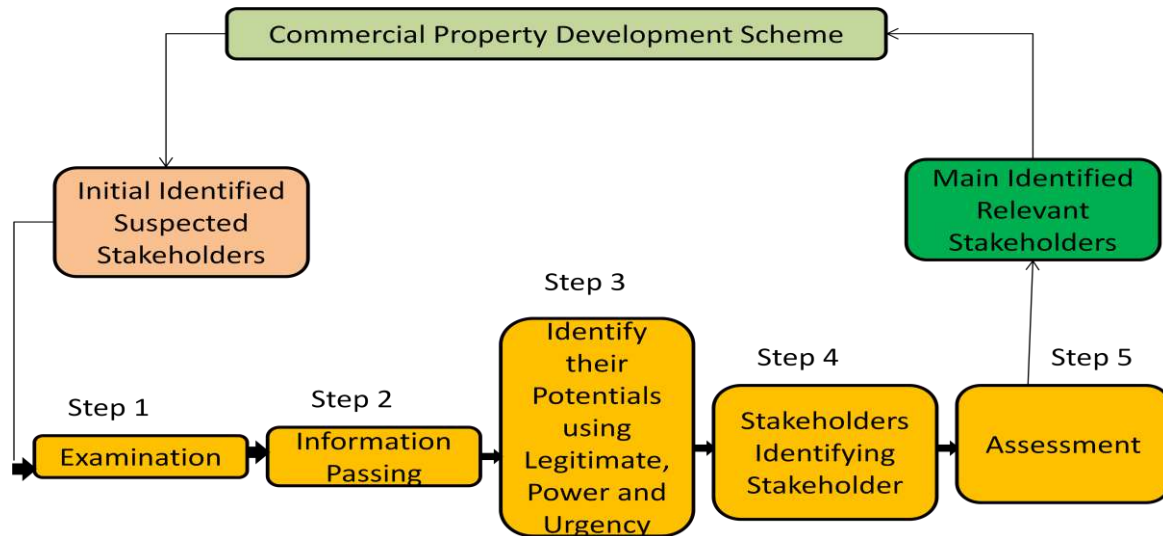


Fig. 2.2: Relevant stakeholders’ identification approaches/strategies (Ihuah, 2015)

1. The first step strategy to adopt is to identify the relevant stakeholders for involvement/inclusion in post-construction management of commercial property developments and management, using the criteria of: legitimate; power; and urgency, also by examining the entire initial identified suspected stakeholders (Mitchell, et. al., 1997; Piffer, 1948; Waber, 1947, cited in Ihuah, 2015). This approach allows an evenly interactive exposure of the relevant stakeholders’ so that all the development needs and plans are well segmented, and would not result to the proposed development activities being rejected or major activities or issues being disregarded. This occurrence may lead to the rising problem of some stakeholders been excluded or not involved at the earlier stages of the post-construction management or of the project development and management (Ihuah, 2015).

2. The second step is the information passing stage. It underscores the passing of the major information assessments about the potentially relevant stakeholders to the stakeholders expected to be included in the construction of the commercial property development activities so that their understanding, awareness and knowledge of the other various stakeholders’ interests and opinions can be ordered and understood (Finn, 1996 cited in Ihuah 2015). This stage process, would further assist the stakeholders to recognize the best tactic to apply and ensure development success, such as spotting stakeholders’ groups that may be supportive, opposed or neutral to the general main interests of development scheme (Medeiros de Araujo and Bramwell, 1999 cited in Ihuah, 2015).

3. The third step is the process of ascertaining those stakeholders’ with legitimate and significant opinions but whose capability needs to be raised and involved so that their views can be hard and incorporated in the collaborative decision-making for the commercial property development scheme (Carroll, 1993; Medeiros de Araujo and Bramwell, 1999, cited in Ihuah, 2015).

4. The fourth step is the “stakeholders’ identifying stakeholders”. This is the stage where the already involved stakeholders are asked to identify other suspected stakeholders, that might be affected by the commercial property development scheme and whose interests are crucial to the project benefits sustainability (Medeiros de Araujo and Bramwell, 1999, cited in Ihuah, 2015). This could be either through potential stakeholder’s examination or other approaches considered suitable, and it will aid to understand those stakeholders that might need involvement and/or inclusion at the early planning stage of the commercial property development scheme.

5. The fifth step is the assessment stage. This is the stage where the relevant stakeholders’ are assessed and re-assessed so that the main relevant stakeholders for inclusion and integration are placed on plan showing where their key involvement and collaboration in the commercial property development scheme are required. The purpose of the evaluation and reevaluation is to determine the interdependence between the various stakeholders, their positional influence and behavior that would affect the project benefits and the network between them (Marin and Mayntz, 1991; Rowley, 1997; Medeiros de Araujo and Bramwell, 1999, cited in Ihuah, 2015).

Table bellow shows an example of the relevant stakeholders in commercial property development scheme and their categories.

Stakeholders	Commercial Property Development Stakeholders and Their Categories
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Dormant Stakeholder	Consultants; Management Team/Decision Makers.
Discretionary Stakeholder	Client; Management Team/Decision Makers; Contractors;
Demanding Stakeholder	Professionals/Contractors.
Dominant Stakeholder	Management Team/Decision Makers; Community Representatives;
Dangerous Stakeholder	Professionals/Contractors.
Dependent Stakeholder	Developer; Planning / Licensing development; Planning Authority.
Definitive Stakeholder	Professionals/Contractors; Communities Representatives.
Non-Stakeholder	The management team/ decision makers; the building team, consultants
	The Planning Authority; Licensing/ planning Development; Developer.
	Others outside these groups.

Table 2.1: Example of stakeholders in commercial property development scheme and their categories.

2.4 Property Development

According to the High Court, the Court of Appeal and the Supreme Court, property is the right to possession, enjoyment and disposal of all rights and things subject to ownership. Property is therefore a legal right showing the relationship between a person, the owner and his possession of the thing owned. Development is a process that creates growth, progress, positive change, or the addition of physical, economic, environmental, social and demographic elements. The purpose of development is a rise in the level and quality of life of a population and the creation of expansion of local area income, and employment opportunities, without damaging the resources of the environment (Lorraine, 1994).

2.4.1 Commercial Property Development

According to Scott & Judge (2000), this refers to buildings or land intended to generate a profit, either from capital gain or rental income. It includes office buildings, industrial property, medical centers, hotels, malls, retail stores, farm land, multifamily housing buildings, warehouses, and garages. In many states, residential property containing more than a certain number of units qualifies as commercial property for borrowing and tax purposes. As formerly defined, commercial properties are real properties of any kind, that shelter those who are engaged in any trade or profession with the expectation of profits and it is the profit that determines how much a tenant will pay as rent.

2.5 Sustainability

The concept of sustainable property development refers to the process in which social, economic and environmental issues are premeditated throughout the stages of the development project, i.e. planning, design, construction, and operation (Gough & Accordino, 2002). Sustainable urban property development is characterized as a means to achieve a built environment that reflects the needs and interest of a broader society. Sustainable property development projects can be achieved through collective actions, especially when progressive goals are defined (Mc Cormick *et al.*, 2013). To enhance transparency and involvement of a wide range of stakeholders, there is a need for a systematic process of collaboration among the various stakeholders in urban property development projects (Innes & Booher, 2004). It is argued that development projects are the outcomes of complex social processes which are guided by structural forces (resources, regulations and discourses) and actors (funders, regulators, producers and users) situated in the socio-political context of a property development project. The interactions among these forces and actors influence how the development process takes place and how realities are constructed, hence benefits the interests of a few. For this reason, a holistic approach to stakeholder participation is vital to allow the different stakeholders to meaningfully participate in the decision-making process by balancing their interests, needs and concerns, thus achieving a more just built environment (Calderon & Chelleri, 2013).

III. METHODOLOGY

The study is a qualitative study that utilized the use of semi- structured face to face interview in gathering data from 30(Nr) respondents in commercial property development, representing 100%. The respondents were from three various professional bodies of the real estate sector, such as: the Real Estate Development Association of Nigeria (REDAN); Nigerian Institution of Estate Surveyors and Valuers (NIESV);

and Association of Estate Agency of Nigeria (AEAN) as they were relevant to the purpose of the study. The data collected, were analyzed using thematic content analytical approach.

IV. DATA ANALYSIS AND RESULTS

Data in this study were presented in theme. The emergences of the themes, are based on the objectives of the study, and are as follows:

4.1 Stakeholders in Commercial Property Developments Process

This theme seeks to understand and identify the various stakeholders in commercial property developments. In the qualitative semi structured instrument, all the interviewees (30 Nr = 100%) revealed and confirmed that the stakeholders in commercial property development scheme, are members of the client organization e.g. panels, department heads, other user groups such as customers, residents, occupants neighbours and community groups, the financier/lender, the real estate agent, the valuers, surveyors, town planners, actuaries, architects, project managers, lawyers, accountants, the local authority building regulators, the licensing and planning development, the statutory and non-statutory consultees are the stakeholders in a development project.

A member of REDAN acknowledged by saying:

"...Stakeholders are the property owner, the developer, the financier/lender, the builder, the real estate agent, the community and objectors. Others include the valuers, surveyors, town planners, actuaries, architects, project managers, lawyers, accountant etc..."

(Transcribed interviews, 2021)

However, three interviewees, from NIESV and four from REDAN making (a total of 7Nr = 23.3%) supported the opinions above by adding that, any individual or organisation that contributes towards either distracting or enhancing the commercial property development process should be a stakeholder. Subjectively, they would remain a minor stakeholder in comparison to the major ones.

One of them, a NIESV member stated thus:

"...an individual or organisation may contribute either positively or negatively towards a commercial property development process, but same is still a stakeholder. Subjectively, this person(s) should remain a minor stakeholder in comparison to the major ones..."

(Transcribed Interview, 2021)

4.2 Stakeholder Strategic Management Process in Sustainable Commercial Property Development

This theme seeks to know the stakeholder management strategies in commercial property development.

Here, eighteen number of interviewees (18Nr = 60%) opined that a good stakeholder management strategy begins by identifying /knowing all potential stakeholders, determining their expectations/ creating a strategy for working with them, and execute plans to engage them at the appropriate levels throughout a project life cycle.

However, one of the respondents (REDAN) stated thus:

"...A good stakeholder management strategy, begins especially by identifying /knowing all potential stakeholders, finding out what their needs are, creating a strategy for working with them, and execute plans to engage them at the appropriate levels throughout a project life cycle..."

(Transcribed interviews, 2021)

However, twelve interviewees, 6 each of NIESV and AEAN (12Nr = 40%) where of the opinion that It entails managing stakeholder relationships until the processes are completed, making adjustments as needed.

A NIESV member stated as follows:

"... Stakeholder management strategy for sustainability, entails managing stakeholder relationships until the processes is completed, making adjustments as needed, because the interests and influences of stakeholders could change during the development process..."

(Transcribed interview, 2021)

A response from an AEAN member states as follows:

"...It entails the Involvement and collaboration of relevant stakeholders to redefine (refine) project mission, at the earliest stages of a property development project, as it creates potentially significant opportunities for eliminating several problems that prevents the achievement of projects' successes..."

(Transcribed interview, 2021)

V. DISCUSSION OF FINDINGS

Summary of key findings of the study based on results from data analyzed, based on the study objectives are discussed bellow.

The findings indicated that the stakeholders in commercial property development scheme are members of the client organization e.g. panels, department heads, other user groups such as customers, residents, occupants neighbours and community groups, the financier/lender, the real estate agent, the valuers, surveyors,

town planners, actuaries, architects, project managers, lawyers, accountants, the local authority building regulators, the licensing and planning development, the statutory and non-statutory consultees are the stakeholders in a development project. This study has provided the understanding, by identifying the various stakeholders in commercial property development.

Findings also revealed that a good stakeholder management strategy begins by identifying and knowing all potential stakeholders, determining their expectations/ creating a strategy for working with them, and executing plans to engage them at appropriate levels throughout a project's life cycle.

Also, strategies involves managing stakeholder relationships until the development processes are complete, making adjustments as needed, so as to detect changes in the stakeholders interests in the process.

Further, strategy also includes the involvement and collaboration of relevant stakeholders to redefine (refine) project mission, at the earliest stages of a project, as it creates potentially significant opportunities for eliminating several problems that prevents the achievement of projects' successes.

VI. CONCLUSION

The study examined stakeholders' management strategies in sustainable commercial property developments. The study asserts that the stakeholders in a development process are broad, stemming from members of the client organization e.g. owners/developer, panels, department heads, other user groups such as customers, residents, occupants neighbours and community groups, the financier/lender etc. The study reveals that every stakeholder management process takes a systematic order which must begin from identifying potential stakeholders, clearly analysing their interest and devising means on how best to engage them all through the project scheme. The study also revealed five strategies which can be used in identifying the relevant stakeholders in a property development scheme.

The study recommended thus; stakeholder management strategies for stakeholder identification and inclusion should be adopted in every commercial property development scheme, for sustainability and achievement of higher levels of success in property development projects.

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