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Analyzing Stakeholder Challenges in Public Sector Project Implementation

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Abstract

Purpose – *The study explores the challenges stakeholders pose and the means of reducing the challenges to public sector project implementation.*

Design/method/approach – *70 questionnaires were administered to stakeholders, of which 50 responses were retrieved within the designated timeframe, representing a response rate of 71%. The study adopted a quantitative approach.*

Findings – *The results show stakeholders' challenges negatively and significantly affect public sector project implementation. We also found that economic project failure has a negative significant impact on the national economy of Ghana.*

Originality/value – *This study explores and tests the effects of stakeholder challenges on public sector projects. The study highlighted that economic project failures hurt the Ghanaian economy.*

Keywords: *stakeholder challenges, public sector projects, economic project failure, Ghanaian economy*

1.0 INTRODUCTION

Government projects of any nation are of immense importance to the citizens and residents of that nation as they form part of the building blocks that support national growth. The successful execution of projects is a visible indicator of development in a country (Hanachor, 2013). Despite this, in developing countries such as Nigeria, most projects embarked on by the government are classified as failed projects (Hanachor, 2013). According to PMI (Project Management Institute PMBOK guide (2013), a project is a temporary endeavour to create a unique result. Note (2015), however, defines a project as a series of unique and related activities with a goal that must be achieved at a set time, within its cost constraints and by set specifications. There is no clear-cut definition for project failure, and there seem to be differences in its acceptable definition. Amachree (1988) defines project failure as the incapability of a project to be completed within its set time, cost and quality specifications. However, Nzekwe et al. (2015) suggest that regardless of a project's completion time and cost, it can still be considered a failure if it does not fulfil its required purpose.

In every project, there are numerous stakeholders whose activities can affect or be affected by the project and who, therefore, are interested in the project's deliverables or output (Haughey, 2018). In other words, stakeholders can impact the output of the project or can affect or be affected by the project (Olander, 2017; Heravi, 2015). From a project management perspective, project stakeholders are persons or groups of persons with a vested interest in the success of the project and the environment within which the project operates (McElroy & Mills, 2016; Post, 2016). However, like the Standford definition, this (McElroy & Mills, 2016; Post, 2016) also suffers from being too narrow (Olander, 2017). Project Management Institute (PMI) adopts

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Today, Ghana's landscape is littered with abandoned building projects, resulting in threatened job opportunities and a continuous setback in our economic development effort (Ackah, 2020). Solving the problem of government project abandonment might accelerate economic development. Therefore, the study will focus on analysing stakeholder challenges in public sector project implementation in Ghana, specifically in the Ga East Municipality. Every nation aspiring to attain development must utilise its resources effectively to develop its industrial base energy sectors, among other things (United Nations, 2018). Unfortunately, Ghana has suffered a setback in following these principles for development. Every year, the government announces a considerable amount of money to be spent on capital projects, only for all to be put to waste due to stakeholder issues (Ackah, 2020), leaving the projects without seeing success.

Also, both the public and the private sector projects experience stakeholder challenges, making it pronounced in the harsh economic climate and developing countries like Ghana. Quite a few projects have been completed successfully and formally handed over to the stakeholders or sponsors but end up being abandoned or unused by stakeholders or end-users. The stakeholder theory, the management of stakeholders for the first time, existed in 1963 at the Stanford Research Institute (Schepper et al., 2014). Nevertheless, a group of researchers (Hofmeister & Borchert, 2004; Delmon, 2011; Ping & Bing, 2014; Li and Zou., 2011) stated that there are multi-participant procurement methods of the public sector, which have stakeholders named as contractors, architects, the public sector, lenders, project company, and the people in the communities where the project is being executed. Looking at this, it is pretty evident that the management of stakeholders is quite dynamic (Schepper et al., 2014) and complex because of the variety of people involved.

Improper management of stakeholders is one of the primary reasons that has led to several challenges and failures in the operation of public sector projects implementation (El-Gohary et al., 2016; Siemiatycki, 2019; Smyth & Edkins, 2017; De Schepper et al., 2014). Also, several public sector project implementation issues result from inadequacies in stakeholder management. Inadequate transparency and disclosure of the public sector projects implementation engagements (Regan et al., 2011), Improper management of conflict schemes and lack of responsiveness to the public's interest in general (Henjewele et al., 2013). Inadequate public incorporation and the lack of proper association bring out public objections and disagreements during project execution.

It is worth noting that, globally, public sector projects such as construction projects have poor records of Stakeholder Management compared to other sectors such as manufacturing (Olander & Landin, 2008: 553). This is due to a dearth of elaborate tools to manage Stakeholder Management performance in construction projects (Oppong et al., 2017, p. 1037). In addition, for a project to be completed, the services of various stakeholders are required. These stakeholders originate from different professions, cultures and educational backgrounds, which could be responsible for divergent goals and expectations and lead to challenges in managing project stakeholders (Li et al., 2011, p. 9705). In public sector construction projects, for instance, poor Stakeholder Management leads to problems such as inadequate resources assigned to the project, poor scope and work definition, poor communication, changes in the scope of work, and unforeseen regulatory changes, which result in project delays and cost overruns (El-Sawalhi & Hammad, 2015: 157; Eyiah-Botwe et al., 2016: 154; Nauman & Piracha, 2016: 5; Yang et al., 2009: 337)

A problem identified by Osei-Kyei and Chan (2015a) stated that the poor management of stakeholders and poor relationships is one of the challenges that has

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led to a problem like project failure. Several researchers have found this study necessary, through which Eskerod and Jepsen (2013) stated that the success of a project cannot be achieved without considering the ideas of stakeholders in the project execution; this also helps in ensuring an excellent project delivery. Good stakeholder management, at many times, helps organisations to achieve their goals. On the other hand, it is identified that stakeholder management brings about several challenges. These challenges sometimes affect an organisation's aims, functioning, survival and the success of project delivery (Gibson, 2000).

In the study of Kalsern (2012), it was mentioned that stakeholder management challenges have led to problems like poor communication, project failure, scope of work experiencing changes, insufficient project resources, bad media news regarding project failure, and undesirable public responses to project execution. However, in the study (Atiibo, 2012), he mentioned several challenges concerning stakeholder management in many projects. However, the capability of several firms to address these management challenges is limited. To deal effectively with the multiple and complex development problems to meet the divergent and conflicting interests and needs of the complex networks of stakeholders, there is the need to understand the stakeholder trade-offs and all challenges thereof. This, therefore, leaves a gap that there is the need for more studies to be conducted in this subject area. For this reason, the research finds it significant to focus on analysing stakeholder challenges in public sector project implementation in Ghana, the case of Ga East Municipality.

2.0 LITERATURE REVIEW

2.1 The Concept of "Stakeholder"

In the past 20 years, particularly in the last decade, the term "stakeholder" has taken a significant position in public and non-profit management theory and practice. The phrase describes people, groups, or organisations that front-line workers, managers, and leaders must somehow consider (Bryson et al., 2022). According to Freeman (2019), a stakeholder is any group or person that may influence or be impacted by accomplishing the organisation's goals. In a similar vein, Peter (2008) defined a stakeholder as someone whose interests may be favourably or adversely impacted by the project and who could have the power to influence the project's success or failure. Any individual or group that actively participates in a project or whose interests could be affected either favourably or unfavourably by its execution or completion. Stakeholder is a weird phrase that now almost entirely means the opposite of what it originally meant.

A stakeholder was a person who managed funds for two or more other parties while they awaited the result of a wager or other disagreement. He was required to give the winning party the money. In other words, the shareholder owed his principals a contractual obligation. Even in countries where wagering agreements are not enforceable (like England even today), the shareholder must make the payment. If a shareholder fled with the stakes in the American Wild West, the enraged parties may track him down and kill him (Sunderland, 2016).

According to Bryson et al. (2002), standard stakeholder definitions from the literature in the public and non-profit sectors include the following variations: According to Nutt and Backoff (1992), "all parties who will be affected by or will affect [the organisation's] strategy." Bryson (2019) states that a stakeholder is "any person, group, or organisation that can claim the organisation's attention, resources, or output, or is affected by that output." According to Eden and Ackermann (2019), "people or small groups with the power to respond to, negotiate with, and change the strategic future of

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the organisation." According to Johnson and Scholes (2012), "those people or groups that depend on the organisation to achieve their own goals and on whom the organisation depends."

IFC (2017) defines stakeholders as individuals or organisations interested in a project and have the power to impact its result favourably or adversely. Stakeholders may also be directly or indirectly affected by a project. Affected local communities or people, as well as their formal and informal representatives, national or local government officials, legislators, religious figures, representatives of civil society organisations and groups with particular interests, members of the academic community, and other enterprises, may all be considered stakeholders.

2.2 The Role of Stakeholders

To that end, it is clear that the relevance of stakeholders to accomplishing every organisation's objective is, to some extent, manifest in the conceptualisations from the various authors mentioned above. However, more of it can be seen in Bryson (2019) and Moore (2019), who stated that: "Attention to stakeholders is important throughout the strategic management process because' success' for public organisations and certainly survival depends on satisfying key stakeholders accord In his article "What to do when stakeholders matter," which Bryson (2014) quotes, he makes the case that "Public agencies are born of and live by satisfying interests that are sufficiently influential in maintaining the agencies' political legitimacy and the resources that come with it." The typical assumption should be that something will change if essential stakeholders are not at least marginally happy; for example, budgets will be slashed, elected or appointed officials will lose their jobs, new projects will be hindered, and so on.

Assessing and improving political feasibility also requires consideration of stakeholders, particularly when defining and realising the common good (Bryson et al., 2002; Campbell & Marshall, 2002). Finally, it is crucial to pay attention to stakeholders to satisfy individuals participating or impacted by the proceedings that the requirements for procedural fairness have been satisfied (Eden & Ackermann, 1998; Suchman, 1995; Alexander, 2000). It should be noted that what is being said does not imply that all potential stakeholders should be completely satisfied, involved, or taken into account; rather, it only implies that the key stakeholders must be and that choosing which stakeholders to prioritise is inherently political (Stone, 2019), has ethical implications (Lewis, 2019; Cooper, 2019), and requires judgement (Vickers & Vickers, 2019).

Consider everyone who has a hand in your endeavours. However, the 'outsiders' who could be affected and interested in the activity make it more difficult. Stakeholder management is crucial because of this. By analysing and influencing both the internal and external surroundings and fostering healthy relationships with stakeholders via properly managing their expectations and shared objectives, stakeholder management aids an organisation in accomplishing its strategic goals. The benefits of stakeholder management include removing conflicts of interest between stakeholders, lowering management's pressure to deliver quick results, cutting costs related to high stakeholder turnover, and giving the company committed stakeholders in a setting with rising competition (Wikipedia, 2011).

2.3 Stakeholder Management Challenges and Impact

In all corporate and organisational operations, management refers to bringing people together to achieve desired goals and objectives while effectively and efficiently using the resources. In order to achieve a goal, an organisation (a group of one or more persons or organisations) or endeavour must be planned, organised, staffed, led or

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directed, and controlled. The use of human, financial, technology, and natural resources and their manipulation is referred to as resourcing (Wikipedia, 2019). The discipline of stakeholder management focuses on human dynamics, managing relationships and communications, as opposed to conventional project management, which focuses on the tools and templates that enable us to finish the development of the goods or services being provided.

(Peter, 2017) Stakeholder management is a procedure and control that has to be thought out and directed by guiding Principles. Within businesses or projects, stakeholder management develops a plan using data (or intelligence) obtained via the following standard processes: stakeholder identification, stakeholder analysis, stakeholder engagement, stakeholder matrix, and stakeholder communication. As your stakeholders have the power to make or destroy your project, managing them effectively is a crucial stakeholder skill (Wikipedia, 2010). Despite this, the Society of Professionals in Dispute Resolution (SPIDR) Practices (2019) report showed that more people and businesses have entered the profession due to the increased use of stakeholder procedures.

While many of these more recent participants are highly qualified, others do not have enough experience managing stakeholder processes or a thorough grasp of the problems. Additionally, there is an increasing need to make sure that actions referred to as stakeholder processes meet the requirements and standards of experts in the subject. Stakeholder process managers may also get clients' instructions to participate in problematic actions ethically and practically. These include selecting unrepresentative stakeholders, leaving out specific discussion points, and crafting reports to support the client's stance. The group also discussed the difficulty of balancing involvement and attentiveness.

2.3 Stakeholder Management Challenges on Public Sector Projects in Ghana

Stakeholder management challenges in this research refer to a precise barrier, constraint or issue related to stakeholder management in the public sector environment. Overseeing stakeholders poorly is one of the principal reasons behind the disappointment of numerous public sectors worldwide (De Schepper et al., 2014). They steadily reduce the overall population's work and fuel the negative public recognition of government dealings with the private sector (Osei-Kyei & Chan, 2015a). The shortcomings identified by stakeholders are seen more in public sector ventures with more construction projects worldwide (Henjewele et al., 2013). As indicated by a report by the World Bank, the primary factor holding up private interest in the framework is the wide gap between the administration and the private segments, prompting the interest of conflicts (De Schepper et al., 2014).

De Schepper et al. (2014) stated that relationships between stakeholders primarily relate to not being well-managed and poor approaches to stakeholder management. Consequently, the review of the literature brings out that there are several issues in stakeholder management in public sector projects worldwide. A few nations, including Australia, have professed to be one of the leading nations which use public sectors for significant monetary and social framework improvement (Barratt, 2003).

In any case, framework privatisation has caused numerous issues in certain nations' social, political, monetary, legitimate and ecological settings. Per Johnston (2010), various difficulties need attention in the public sector to get the public's interest. He investigated numerous issues in the public sector, including underbidding, optimistic forecasts, lack of risk allocation, high private sector capital, inadequate transparency, no trust for citizens, poor relationship management, conflict and political

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attitudes. Siddiquee (2011) argued that a more significant extent of public sectors in Australia has not been successful because of poor growth in revenue, an increase in patronage and customer behaviour through the prearranged work period.

2.4 Strategies to Ensure Effective Stakeholder Management on Public Sector Projects.

According to Skulmoski and Hartman (1999), three organisations were examined for appropriate stakeholder management strategies concerning getting stakeholder investment in their task, and the following strategies were identified: stakeholder input components, compelling correspondence and stakeholders in front-end arranging. Stakeholder management is the operative management of stakeholder relations (Lim et al., 2005). This comprises the procedures and actions initiated to recognise all persons or organisations impacted by project execution. As indicated by Oakley (2013), project managers ought to understand that the achievement of the tasks can be affected enormously by adding different stakeholders to the projects, which can bring good project delivery. It is crucial to analyse the requirements and needs of the stakeholder throughout the life-cycle of the project as their preference is very dynamic.

Some strategies for stakeholder management include: PPP project managers must involve stakeholders when making decisions and involve them in the project process. Management must address stakeholder issues very well and ensure that stakeholders' needs are considered when undertaking projects, Identify relationships between stakeholders, and ensure effective coordination among the project management team and stakeholders. Lastly, management must team up with stakeholders to solve project issues and undertake project activities with them, According to Oliver (1991), he identified five (5) strategies for stakeholder management. These include acquiescing, compromising, avoiding, defying and manipulating. These points were well explained: *Acquiescence:* Ensuring an agreement at every project stage. *Compromise:* A method of agreement whereby both parties bring up ideas towards the project's advancement. *Avoidance:* Avoidance by setting barriers that may prevent misunderstanding during project execution.

Defy: Oliver (1991) views disobedience as a lively method of opposition to official (institutional) processes. Moreover, this may appear in removal, attack or defying.
Manipulation: To put in effort by controlling all project activities. These stakeholders are included based on the relationship they encourage with project managers and other administration associations in the undertaking. Stakeholders are centred on the project's existence with their information, course, and desires for the undertakings, and they require input on data they look for from project managers.

3.0 METHODOLOGY

3.1 Research Approach

This study used a quantitative research approach because the quantitative procedures can use groups of minor persons to make inferences about more significant groups of persons. Several characteristics considered for quantitative study include its numerical characteristics and statistical or mathematical nature; it also has a repetitive procedure in which data is assessed; the results are frequently shown in tables and graphs, Rajasekar et al., 2016). This indicates that the quantitative approach depends exclusively on numerical mathematical data and analysis to describe behaviour, which is also understandable (Passer, 2014). The quantitative approach is effective in conducting a study, which is why this study is stacked with this approach.

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3.2 Sampling Technique and Sample Size

The procedure of choosing a section of the population to symbolise the entire people and the results from the section representing the group as a whole is known as sampling. According to Saunders et al. (2017), there are two sampling types: probability and non-probability sampling. Probability sampling is the basics of the population having some accepted opportunity of being selected as sample subjects; in contrast, in non-probability sampling, the elements do not have a recognised opportunity of being chosen as subjects which fit into the broad groups of suitability and purposive sampling.

According to Polit and Hungler (2016), sample sizes should have features similar to the population under the study to permit the generalisation of the findings to signify the chosen population. The applied method for the selection of respondents was purposive sampling. This is because a researcher like Ritchie et al. (2013) stated that the purposive sampling technique allows the researcher to select individuals with much knowledge of the research topic. Nevertheless, purposive sampling is also where the required information is gathered from specific targets or groups of people on some rational basis to attain information relevant to the study.

The population of the study were the construction professionals in the construction industry, specifically professionals who are into public sector projects. The sample size for the study was derived using the purposive sampling technique since there was a need to contact professionals who are into public sector projects.

Table 4.1 Respondents' Background

Profile	Categories	Frequency	Percentage
Age	25-29 years	13	26.0
	30-39 years	17	34.0
	40-49 years	9	18.0
	50 years or more	11	22.0
	Total	50	100.0
Gender	Male	24	48.0
	Female	26	52.0
	Total	50	100.0
Working Experience	1-6 years	4	8.0
	7-12 years	14	28.0
	13-16 years	2	4.0
	17-25 years	26	52.0
	26 years and above	4	8.0
	Total	50	100.0
Position in your company	Project manager	20	40.0
	Project sponsor	7	14.0
	Project Coordinator	15	30.0
	Project team member	6	12.0
	Procurement manager	2	4.0
	Total	50	100.0
Level of education	HND	11	22.0
	Bachelor	23	46.0
	Master	14	28.0
	Ph.D.	2	4.0

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	Total	50	100.0
Type of your production:	Manufacturer	3	6.0
	Service provider	20	40.0
	R&D	14	28.0
	Product designer	13	26.0
	Total	50	100.0
Number employees	1 to 10 employees	16	32.0
	11 to 50 employees	18	36.0
	51 employees and above	16	32.0
	Total	50	100.0

Source: Field Data, 2023

Concerning the respondents' age, 13 of the respondents were between the ages of 25 and 29 years, representing 26.0%; 17 of the respondents were between the age of 30-39 years, representing 34.0%; 9 of the respondents were between the age of 40-49 years representing 18.0% whereas 11 of the respondents were between the age 50 years or more representing 22.0%. Regarding the gender of the respondents, 24 were male, forming 48.0%, whilst 26 were female,, forming 52.0%. Touching on the working experience of the respondents, 4 of the respondents have worked in their organisation for 1-6 years, representing 8.0%; 14 of the respondents have worked in their organisations for 7-12 years, representing 28.0%; 2 of the respondents have worked in their organisation for 13-16 years representing 4.0%, 26 of the respondents have worked in their organisation for 17-25 years representing 52.0% and 4 of the respondents have worked in their organisation for 26 years and above representing 8.0%.

Concerning the positions of the respondents for the study, 20 of the respondents were project managers, representing 40.0%; 7 of the respondents were project sponsors, representing 14.0%; 15 of the respondents were project coordinators representing 30.0%; 6 of the respondents were project team members representing 12.0% and 2 of the respondents were procurement managers representing 4.0%. Regarding the level of education of the respondents, 11 of the respondents were Higher National Diploma graduates, representing 22.0%; 23 of the respondents were holders of Bachelor's degrees, representing 46.0%; 14 of the respondents were second-degree graduates, representing 28.0% whereas 2 of the respondents were doctor of philosophy graduates representing 4.0%.

Regarding the issue of the type of production, 3 of the respondents, representing 6.0%, were in the manufacturing unit, 20 of the respondents, representing 40.0%, were in the service unit, 14 of the respondents, representing 28.0%, were in the Research &Development unit whilst 13 of the respondents representing 26.0% were in the product design unit. Regarding the number of employees in the units that were considered for the study, 16 of the respondents' units had 1 to 10 employees, representing 32.0%; 18 of the respondents indicated that their unit had a workforce of 11 to 50, representing 36.0%; whilst 16 of the respondents indicate that their unit has a workforce of 51 and above representing 32.0%.

4.0 DATA ANALYSIS

4.1 Reliability and Validity Test

The reliability of a measuring instrument is defined as its ability to measure the phenomenon it is designed to measure consistently. Reliability, thus, signifies test

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consistency. To confirm the reliability of the study's measuring instrument, Cronbach's Alpha is used. Therefore, the data was subjected to reliability tests to check the consistency of the measurement set. Reliability was operationalised as internal consistency and established through the computation of Cronbach Alpha. A coefficient reliability of 0.70 or higher indicates that the instrument used is reliable (Cronbach, 2004). The reliability of a measuring instrument is defined as its ability to measure the phenomenon it is designed to measure consistently. Reliability, thus, signifies test consistency. To confirm the reliability of the study's measuring instrument, Cronbach's Alpha is used.

Therefore, the data was subjected to reliability tests to check the consistency of the measuring items. Reliability was operationalised as internal consistency and established through the computation of Cronbach Alpha. A coefficient reliability of 0.70 or higher indicates that the instrument used is reliable (Cronbach, 2014). In order to analyse the data about constructs, the researcher measured the constructs by employing the Confirmatory Factor Analysis (CFA). This was achieved by using the Kaiser-Meyer-Olkin and the factor loading of the items. The Kaiser-Meyer-Olkin (KMO) measure of adequacy and Bartlett's test of Sphericity of 0.5 is acceptable, and factor loadings of items' acceptable threshold of 0.7 is acceptable.

Table 4.2 Reliability and Validity

Constructs	**Items**	**Loading**	**Cronbach Alpha**	**KMO**	**Variance**
Challenges stakeholders pose	CSP1	.776	**.736**	**.613**	**65.569**
	CSP2	.886			
	CSP3	.761			
	CSP4	.736			
	CSP5	.930			
	CSP6	.887			
	CSP7	.789			
Means Reducing Challenges Stakeholders Pose	MRCSP1	.642	**.773**	**.565**	**68.773**
	MRCSP2	.611			
	MRCSP3	.817			
	MRCSP4	.757			
	MRCSP5	.711			
	MRCSP6	.647			
	MRCSP7	.571			
Public Sector Project Performance	PSPP1	**.855**	**.707**	**.639**	**63.451**
	PSPP2	.800			
	PSPP3	.730			
	PSPP4	.725			
	PSPP5	.615			
	PSPP6	.846			

	PSPP7	.855			
	PSPP8	.861			
Economic Project Failure	EPF1	.652	**.923**	**.712**	**72.221**
	EPF2	.737			
	EPF3	.737			
	EPF4	.866			
	EPF5	.784			
	EPF6	.872			
	EPF7	.921			
	EPF8	.654			
Economy	ECO1	.801	**.701**	**.705**	**65.231**
	ECO2	.795			
	ECO3	.679			
	ECO4	.925			
	ECO5	.861			
	ECO6	.794			
	ECO7	.832			

Source: Field Data, 2023

From the table 4.2, Challenges stakeholders pose (Cronbach's Alpha = .736; Kaiser-Meyer Olkin = 613; average variance% 65.5). Means Reducing Challenges Stakeholders Pose (Cronbach's Alpha = .773; Kaiser-Meyer Olkin=.565; average variance% of 68.77). Public Sector Project Performance (Cronbach's Alpha = .707; Kaiser-Meyer Olkin = .39; average variance% of 63.451). Economic Project Failure (Cronbach's Alpha = .923; Kaiser-Meyer Olkin = .12; average variance% of 72.221). Economy (Cronbach's Alpha = .701; Kaiser-Meyer Olkin=.705; average variance% of 65.231). The values of the constructs are all within the acceptable threshold; hence, the items measuring the constructs are highly reliable.

4.10 Hypothesis Testing and Findings

Hypothesis	**Relationship**	***Beta***	***T***	***P<***	**Remarks**
H1	SC - -> PSP	-.707	-15.702	.000	Supported
H2	EPF- -> EC	-.683	-14.715	.000	Supported

The study assessed the effect of stakeholders' challenges on public sector projects. It indicated that stakeholders' challenges in public sector projects literature posits that conflicting interests among stakeholders can lead to disagreements and impede project progress. When stakeholders have divergent objectives, decision-making can become complicated, causing delays and hindering project execution. According to a study by Turner and Müller (2003), conflicting interests can result in "suboptimal decision-making and underperformance**."** Inadequate communication can lead to misunderstandings, misinformation, and a lack of alignment among stakeholders. Poor communication can confuse project goals, requirements, and progress, leading to project setbacks. The Project Management Institute (PMI) emphasises the critical role of effective communication in successful project outcomes.

Stakeholders' concerns and needs may not be adequately addressed when they are not actively engaged. This can result in a lack of support, resistance to project changes, and reduced commitment. The PMI's Pulse of the Profession® report highlights the importance of stakeholder engagement in project success. Political interference can introduce uncertainty and disrupt project plans. Political agendas and decisions may

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conflict with project goals, diverting resources and causing delays. A report by the World Bank (2012) highlights how political factors can influence public sector project outcomes.

The study finally examined the impact of economic project failure on the economy, and the findings indicated that economic project failure has a significant negative impact on the economy. Scholars have asserted that economic project failures often involve misallocating and wasting resources, including financial investments, labour, and materials. These resources could have been used more effectively in other productive endeavours. De Wit and Meyer (2010) noted that failed projects can lead to a "loss of effort, time, and capital that is potentially better spent elsewhere." Failed economic projects can erode investor confidence, as stakeholders may become wary of future investments due to perceived risks and uncertainties.

According to a report by the World Economic Forum (2018), project failures can undermine investor trust and negatively impact the attractiveness of a country for investment. Economic project failures can lead to increased public debt and financial liabilities, especially if public funds or loans are involved in funding the project. These debts may need to be repaid by taxpayers or can strain government finances, affecting essential public services. The International Monetary Fund (IMF) discusses how poorly managed projects can contribute to fiscal risks and vulnerabilities (IMF, 2016).

5.0 CONCLUSION

5.1 Managerial Implications

Managers should prioritise clear and transparent communication with stakeholders. Regular engagement and dialogue can help address concerns, manage expectations, and build consensus. Providing relevant project information to stakeholders fosters a shared understanding of project goals, progress, and potential challenges. Conducting a thorough stakeholder analysis helps identify key stakeholders, their interests, and potential sources of conflict. Managers can then create tailored engagement strategies to address different stakeholder needs and expectations, minimising challenges related to conflicting interests.

Anticipating and addressing resistance to change is crucial. Implementing change management techniques, such as communication plans and training programs, and involving stakeholders in decision-making can mitigate challenges arising from stakeholders' resistance to project changes. Establishing strong project governance structures and leadership is essential. Empowered project sponsors and leaders can provide the necessary support, guidance, and decision-making authority to manage stakeholder challenges effectively. Leadership's commitment to addressing these challenges sets a positive tone for stakeholder engagement. Developing comprehensive stakeholder engagement plans helps proactively manage stakeholder interactions. These plans outline communication strategies, engagement methods, and roles and responsibilities, ensuring stakeholders are actively involved and their concerns are addressed.

Adequate resource allocation and budgeting are critical to addressing challenges related to limited resources. Managers should ensure that the project is sufficiently funded and resourced to meet stakeholder expectations and project requirements. Effective risk management is essential to anticipate and mitigate potential stakeholder challenges. Managers should identify and assess stakeholder-related risks, develop mitigation strategies, and establish contingency plans to address unforeseen challenges. Managers should be equipped with conflict resolution skills and establish mechanisms to address conflicts among stakeholders. Mediation and negotiation techniques can help

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manage and resolve disagreements, maintaining a positive project environment. Managers should seek regular feedback from stakeholders and use it to drive continuous improvement. Adapting project plans and strategies based on stakeholder input demonstrates a commitment to addressing challenges and enhancing project performance.

Defining clear performance metrics and reporting mechanisms helps track and communicate project progress to stakeholders. Transparent reporting fosters accountability, builds trust, and minimises challenges arising from stakeholders' uncertainty about project status. The effective management of stakeholders' challenges requires a strategic and proactive approach. Clear communication, stakeholder engagement, change management, project governance, and risk mitigation are critical aspects of successful project management in the face of stakeholder challenges. Project managers can navigate stakeholder complexities and enhance overall project performance by implementing these managerial implications.

5.2 Recommendations

Early Stakeholder Identification and Engagement: Identify key stakeholders at the project's inception and engage them early. This allows for a better understanding of their interests, concerns, and expectations, enabling proactive management of potential challenges.

Effective Communication Strategies: Develop clear and consistent communication plans that outline how and when stakeholders will be engaged. Use a variety of communication channels to ensure stakeholders are informed about project developments and decisions.

Stakeholder Analysis and Segmentation: Conduct a comprehensive stakeholder analysis to categorise stakeholders based on their influence and interest in the project. Tailor engagement strategies to address the unique needs of different stakeholder groups.

Inclusive Decision-Making: Involve stakeholders in decision-making processes whenever possible. This fosters a sense of ownership and reduces the likelihood of resistance, as stakeholders feel their input is valued.

Change Management and Training: Implement change management practices and provide necessary training to stakeholders affected by project changes. This helps manage resistance and ensures a smoother transition.

Effective Project Governance: Establish clear governance structures with well-defined roles and responsibilities. Strong project leadership and governance can help address stakeholder challenges more efficiently.

5.3 Suggestions for Future Study

The current study analysed stakeholder challenges in public sector project implementation in Ga East Municipality. However, a future study can also consider the mediating effect of stakeholders' engagement on the relationship between stakeholders' challenges and project performance.

Again, the moderating effect of organisational culture on project performance and the national economy can be studied. The future study can also examine project management practices employed by the municipality, focusing on how these practices affect stakeholder engagement. Evaluate the role of project managers in mitigating stakeholder challenges and maintaining effective communication.

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