

**CAPITAL UNIVERSITY OF SCIENCE AND  
TECHNOLOGY, ISLAMABAD**



**Impact of Stakeholder Management on  
Stakeholder Satisfaction: Considering  
Stakeholders' Risk Attitude as Mediator  
and Organizational Culture as  
Moderator in Project Based  
Organizations of Pakistan**

by

**Sania Farooq**

A thesis submitted in partial fulfillment for the  
degree of Master of Science

in the

Faculty of Management & Social Sciences

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*I dedicate this work to my family. A special feeling of gratitude to my loving parents whose words of reassurance and push for tenacity ring in my ears. I also dedicate this dissertation to my many teachers who have supported me throughout the process.*



## CERTIFICATE OF APPROVAL

**Impact of Stakeholder Management on Stakeholder Satisfaction: Considering Stakeholders' Risk Attitude as Mediator and Organizational Culture as Moderator in Project Based Organizations of Pakistan**

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## *Acknowledgement*

Then which of the Blessings of your Lord will you deny. (*Surah AR-Rehman*)

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## *Abstract*

Purpose of this study was to examine the relationship between stakeholder's management and stakeholder satisfaction, with a mediating role of stakeholder's risk attitudes and moderating role of organizational culture. Theoretical contributions are made by this study by linking relationships between variables of the study with Edward Freeman's stakeholder theory. The study explains that direct effect of stakeholder management on stakeholder satisfaction is significant. Furthermore, according to the results of study the effect of stakeholder management on stakeholder's risk attitude and stakeholder's risk attitude on stakeholder satisfaction is also significant. Adding to that organizational culture as a moderator strengthens the relationship between stakeholder management and stakeholder's risk attitude. These results are supported by the literature review conducted for study. Data was collected from 435 respondents specifically stakeholders that are working in Pakistani project-based organizations. Quantitative research was carried out. Questionnaire survey method was utilized, and the responses were from project-based organizations of Pakistan. Process Macro y Andrew F. Hayes version 4.0 was used in SPSS for analysis of data. Descriptive statistics test, normality test, correlation, mediation and moderation tests were run for the analysis of the data. Discussions are made about the results of data in detail, practical implications are discussed, limitations are discussed and future directions for considering other variables are given.

**Keywords:** Stakeholder Management, Stakeholder's Risk Attitudes, Stakeholder Satisfaction, Organizational culture, Project based organizations, Stakeholders.



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# Abbreviations

<b>OC</b>	Organizational culture
<b>SM</b>	Stakeholder Management
<b>SPSS</b>	Statistical Package for Social Sciences
<b>SRA</b>	Stakeholder's Risk Attitude
<b>SS</b>	Stakeholder Satisfaction

# Chapter 1

## Introduction

### 1.1 Theoretical Background

In last two decades, fast and sudden changes are made in domain of project management for finding accurate answers and for finding solutions to the challenges faced in this domain. But these solutions mostly have a different intrinsic and quantifiable focus on making such process and methods that can help in controlling quality, time and cost (Gilbert, 1983). Scholars are aware that for successful completion of their activities it is important to satisfy and Researchers have long realized that the success of their activities is dependent on how well they satisfy or respond to the wants of various associated groups Jay (1996). For achieving objectives of projects the process of stakeholder management has stimulated interest in people who are practically involved and those who are scholars and researchers (Oliveira & Jr, 2018).

According to some researchers Aaltonen (2011); C.Achterkamp and F.J.Vos (2008); Hamid Aladpoosh et al. (2012); Lynda Bourne and Walker (2005); Gil (2010); Paul Littau et al. (2010); YanMok et al. (2014) it is very essential to identify a way with which stakeholders can be engaged, which will lead to success of project. 3 constraints that can hinder performance of project (i.e., time, cost and scope) are not enough to assure success of projects. Looking at the work done by Freeman (1984) on stakeholder, discussion has been continuing whether or not management's

capability to satisfy one group of stakeholders comes at the expenditure of their capability to satisfy another. Criterion for project success includes understanding of planned aim of customer's organization, confirmation that end user is satisfied and confirming that stakeholder is satisfied (Ika, 2009).

A project can be defined as an impermanent alliance of group of people or stakeholders who want to achieve something by being composed and because of this stakeholder management is an integral part of project management (Assudani & Kloppenborg, 2010). According to McElroy and Mills (2000), Establishing and management of relationships with stakeholders in project so that project can be completed successfully, is termed as process of stakeholder management. Any individual or set of individuals who can affect or be affected by the project is considered as a project stakeholder (Gilbert, 1983). When relationships with stakeholders are properly managed it can mean that stakeholder can bring unexpected challenges and uncertainty to the projects (Meredith & Mantel., 2000). Impulsiveness and contributing actions are considered as categories of stakeholder management, which are sometimes not considered and communicated by teams in project, and it can result in results that are not expected. For solving these problems, alternative stakeholder management tools and techniques have been introduced D. I. Cleland (1986); Gilbert (1983); J. Jiang et al. (2002); Grant T. Savage et al. (1991). Planning, organizing, motivating, directing and controlling are considered as strategies of management but these can also be used for managing stakeholders. But with these strategies there is a need of more developments in the domain of project stakeholder management.

In theory and in practical work, considering risk attitude of individuals is important in different areas of management and finance. (Fellner-Röhling & Maciejovsky, 2002). According to Fellner-Röhling and Maciejovsky (2002) For measurement of risk attitudes mostly those techniques are used that are known such as scales and questionnaires. Some other ways of measuring risk attitudes are essential utilities and psychological approaches in this technique individuals are approached and requested to respond to already developed set of questions, or by asking them to respond that either they agree or disagree with a set of statements.



In both method there is an indirect assumption that risk attitude is a constant behavioral trait. In existing literature different studies are conducted for linking risk attitudes to a person's decision making, for examples risk attitudes are involved when a person is making decision regarding starting a new business (Brockhaus, 1980), or when a person wants to acquire another company (Pablo et al., 1996), or when a person wants to allocate assets (Riley & Chow, 1992).

According to Schein (1985), cited in (R. Mannion et al., 2005) organizational culture can be defined as “the shape of common basic norms – conceived, exposed, or advanced by a given collection of people as it helps in coping with the problems of adapting to external and integrating internally– that has functioned good enough to be measured as appropriate and, consequently, to be communicated to new associates as the right means to perceive, reflect, and sense in link to those difficulties”. So basically, organizational culture signifies “how things are done around here (In Organization)” (Cameron & Quinn, 1999), this means that diverse organizations can have diverse cultures. According to Shortell et al. (1995), four different kinds of culture are found in organizations and on the basis of these culture organizations can be differentiated.

The first one is culture of a group which considers the customs and standards and is linked with association, cooperation, and involvement; the second one is a developing culture that depends on uncertainty-seeking revolution and alteration; the third one is a culture of hierarchy reflecting the standards and customs associated with administration; and a balanced culture that gives importance to effectiveness and achievement.

Neal Ashkanasy et al. (2000) identified that realization of culture types inside an organization specifically in project-based organizations from start of project is important and this will help in removing issues within projects. Cameron and Freeman (1991) identified that strong organizational culture within an organization can led to successful delivery of projects. According to Marcoulides and Heck (1993), organizational culture is a multilayered concept characterized by countless dimensions. Different researchers have given different definitions of these variables throughout the literature and accordingly different articles are also available that

link these variables with each other in their studies. On the basis of this theoretical background a research gap is found which is explained in next heading.

## 1.2 Research Gap

Stakeholder Management is defined as managing relations with stakeholders for mutual benefit (Post et al., 2006). According to Fassin (2012) process of stakeholder management compels organizations to investigate the effect of their activities, methods, procedures and decisions on different stakeholders. In a standard way an organization should consider the rights of their different stakeholders who are linked with organization in anyway. When each and every concern, requirements, and needs of a stakeholder are satisfied it can be termed as stakeholder satisfaction (García-Marzá, 2005).

According to Yigitcanlar (2010), an essential part of sustaining is stakeholder satisfaction. (Benn, 2009) stated that organization that are successful considers the values of their stakeholder if they're unable to do that or id improving values of stakeholder is out of there reach then they focus on maximizing the value of their shareholders. In last 3 decades, theoretical and global organizations have established theories (e.g., stakeholder theory) and standards (e.g., ISO9000 standards) on stakeholders and their part in managerial accomplishment.

According to Abdul Saad et al. (2020) there is a need to Study other uncertainties arising in projects and their impacts on Stakeholder satisfaction. Previously a lot of research was focused on examining the relationship between constructs like Stakeholder management, Risk attitude, Stakeholder satisfaction and organizational culture. But no research study is aimed toward examining the relationships between stakeholder management and stakeholder satisfaction using different mediation variables like Risk attitude, perceived risk etc. along with different moderator variables like organizational culture, organizational support etc. (Abdul Saad et al., 2020). Similarly according to (Alhiddi et al., 2019) future research should be aimed towards developing a framework that will explain stakeholders' success criteria (which leads to stakeholder satisfaction). The aim of this study is to

eliminate the gap in study by examining the association among these constructs.

### 1.3 Problem Statement

As change occurs sooner, for handling and managing alterations organizations are focus on technique of management of projects. The changing aspects of project management have become more multifaceted, this is not just because of the time restrictions in this ever-changing economy, but because of another reason that success of project is now dependent on different other factors. Success criterion for projects contain understanding of the prearranged aims of the customer's organization, along with the satisfaction levels of end user and satisfaction level of all the stakeholders. Existing literature of project management suggests that identification and classification of stakeholders should be done by using a brainstorming approach (Milosevic, 2003). Previous literature suggests that recognizing the alterations in stakeholder salience and managing the links or associations throughout the project life cycle will help a lot by giving important understandings and will lead to project success. Very little attention is given towards identifying the changing concept of stakeholder in domain of project management. Accordingly, research on discovering association amongst stakeholder management and stakeholder satisfaction has found very little attention.

Management of stakeholders while keeping in mind the risk attitudes of stakeholders will help in satisfying stakeholders in a more manner full and efficient way which will ultimately help in success of project. A lot of work is now happening in this field so that stakeholders can be managed successfully in organizations, accordingly, this research is undertaken for investigating the relationship between stakeholder management and stakeholder satisfaction while testing the indirect effect of risk attitudes of stakeholders and moderating effect of organizational culture on relationship between stakeholder management and risk attitudes. Management of stakeholder is very important for projects now a days, because these stakeholders are of core important forevery organization. Different studies are conducted in this field but not much attention is given to these variables in field of project

management specifically. This is a problem that exists and there is a need to address this problem, which is the aim of this research study.

## 1.4 Research Questions

After going through existing literature, underpinning theory and after taking in to account stated problems, this research study is undertaken to find answers to following questions:

1. What is the relationship between Stakeholder Management and Stakeholder Satisfaction?
2. What is the relationship between Stakeholder Management and Risk Attitudes of Stakeholders?
3. What is the relationship between Risk attitude of stakeholders and stakeholder satisfaction?
4. What is the role of stakeholders' Risk Attitude in relationship between stakeholder management and stakeholder satisfaction?
5. What is the impact of organizational culture on the relationship between stakeholder management and stakeholder Risk Attitude?

## 1.5 Objective of the Study

According to existing literature of project management, project stakeholders are important for organizations because of four different reasons. The first reason is that project wants monetary and non-monetary contributions from stakeholders of the project, second reason is that stakeholders often set criteria for project success, third reason is that if stakeholder will resist from contributing towards the project it can arise different uncertainties and can negatively impact the project and the final reason is that stakeholders can affect the project in both beneficial

and harmful ways. Wenche Aarseth et al. (2011); Karel de Bakker et al. (2011); Laurie McLeod et al. (2012). Amy J. Hillman and Keim (2001) suggested that managing of stakeholders can provide companies with advantages because good links with stakeholders can help in increasing the loyalty status of organization and will help in removing issues with stakeholders.

According to them organizations that responds appropriately towards stakeholder expectations and is often involved in societal objectives such as variations in employees and good relation with public can help in increasing value. Organizations should focus on managing issues with stakeholders who have interests that are provided by a competitive organization as well. Donaldson and Preston (1995); Freeman (1984); Rowley (1997). When stakeholders are managed properly in a project it leads to improved relationships which in turn leads to satisfied stakeholders which results in project success. Similarly according to Jordi Surroca et al. (2010) improved links or association with stakeholders can aid organizations in increasing social wealth, standing, values, and invention, which in a way increases firms' monetary performance.

In light of discussion above the objective of this study is to investigate:

- (a) The impact stakeholder management on stakeholder satisfaction in project-based organizations of Pakistan.
- (b) The effect of stakeholder management on stakeholders' risk attitude in project-based organizations of Pakistan.
- (c) The influence of stakeholders' risk attitude on stakeholder satisfaction in project-based organizations of Pakistan.
- (d) The impact of Stakeholders' risk attitude on the relationship between stakeholder management and stakeholder satisfaction in project-based organizations of Pakistan.
- (e) The role of organizational culture in the relationship between stakeholder management and risk attitudes of stakeholders in project-based organizations of Pakistan.

## 1.6 Significance of Study

The previous literature has realized amplified emphasis on stakeholders in educational and the executive settings. In 1963 the concept stakeholder was presented in a memorandum of the Stanford Research Institute, and it stated that “those groups without whose support the organization would cease to exist.” Later on, the concept has changed and progressively advanced to more lively and swaying relations among stakeholders and organizations. More fresh developments are ongoing to ponder how stakeholder management links to organizations performance, and for examining that how the need, contributions and expectations of stakeholders could help in achieving organizational objectives or goals.

Stakeholder Management has attained immense consideration among practitioners. The increasing significance is mostly determined by the ever-increasing stakeholders’ consciousness of the influences linked to the corporate action and by the necessity to display a positive attitude to standing corporate behaviors. Furthermore, it is now clearly obvious to managers that stakeholder management is important for organizations and helps in increasing stakeholder satisfaction which in turn leads to projects success.

This study is focused on examining the relationship between stakeholder management, stakeholders’ risk attitudes and stakeholder satisfaction in project-based organizations of Pakistan.

This research study can help organizations by giving them appropriate information related to how stakeholder management is linked to stakeholders’ risk attitudes and in giving understanding about how stakeholder management can improve stakeholder satisfaction. Similarly this research study will help researchers and practitioners in understanding how proper stakeholder management can increase stakeholders’ satisfaction, what is the mediating role of stakeholder risk attitude on the relationship between management of stakeholders and satisfaction of stakeholders, and in understanding the role of organizational culture as a moderator on association between stakeholder management and stakeholders’ risk attitude.

## 1.7 Underpinning theory

Dr. F. Edward Freeman, an instructor at the University of Virginia in his revolutionary work called “Strategic Management: A Stakeholder Approach” in 1984 proposed the stakeholder theory. According to this theory of all the stakeholders, shareholder is only one. Furthermore, there is big network of stakeholders in an organization or project it includes each an everyone who can impact, affect, or can get affected by the organization. They can be employees, customers, suppliers, government authorities, society etc. this theory proposes that success of an organization is possible when it will satisfy each and every one of its stakeholders. Organization should not only focus on satisfying those stakeholders who are giving profit.

Edward Freeman’s stakeholder theory proposes that an organization’s stakeholders incorporate pretty much anyone influenced by the company and its components. That view is in conflict to the drawn-out shareholder theory suggested by financial expert Milton Friedman that in free enterprise, the main stakeholder a company should concentrate on or care about are shareholders - and accordingly, it should be their primary concern. Friedman’s view is that companies will undoubtedly make a benefit, to fulfill need of their shareholders, and to guarantee positive growth. Then again, Dr. Freeman suggests that a company’s stakeholders are “those groups without whose help the association would stop to exist.” These people and cluster of people would contain clients, representatives, providers, politicians, environmentalist, communities, the media, monetary organizations, administrative groups, and many others. This view clarifies the professional workplace as a biological system of related people and groups, these people and groups should be thought of and satisfied to keep the organization enthusiastic and prosperous in the long haul. Stakeholder theory is considerably bigger in the new worldwide economy, as indicated by Freeman. An association should be vigilant not just of the individuals who hold stock in the company, yet in addition of the people who work in its retail locations, the individuals who work and live close to its plants, the individuals who work with it, and even of contenders, as the organization

might shape the scene in its industry.

This study is in line with stakeholder theory because according to (Freeman, 1984) the key concept of stakeholder theory focuses on giving value to the stakeholders of company and achievement of this aim depends on the organization and help from the stakeholders themselves. Creating of value for stakeholder is enormously important if an organization want to exist for a long time, and the organization is responsible for creation of value for its stakeholders (Freeman & Velamuri, 2006). Stakeholder theory is also executive and focused on managers, because it provides guidance to the activities managers perform in an organization (Donaldson and Preston 1995). After the influential work of (Freeman, 1984), a lot of researchers have contributed towards growing and advancing stakeholder theory by conducting a lot of study in this domain (Donaldson & Preston, 1995). According to Edward Freeman a stakeholder is “any collection of individuals or an individual who is able to impact or who can get affected by the accomplishment of the organization’s goals” (1984). Some important assumptions are made on the basis of stakeholder theory. the first one is that an organization can be looked at as a group of interrelated links between stakeholders. ( Hillman & Keim, 2001); the 2nd assumption is that organization shouldn’t just focus on giving value to the shareholders but also for every stakeholder of organization; and the third and final assumption is that for accomplishing these objectives contribution from stakeholders is necessary. For managing the relationship between stakeholders and organization six principles were proposed by (Freeman, 1984).

**The principle of entry and exit:** According to the first principle, rules should be defined in a clear manner. Which mean that rules that are linked with hiring of workers and removing of workers should be upfront and precise.

**The principle of governance:** according to this principle argues that in what ways the rules that link stakeholders and organization can be changed.

**The principle of externalities:** The principle of externalities demonstrates that anyone who has to face the finances of other stakeholders is capable of becoming stakeholder on the basis of stakeholder theory. Which means that anyone who can affect or gets affected by organization is stakeholder.



**The principle of contract costs:** according to this principle, every individual who is part of the contract would tolerate similar amount of cost and this will be dependent on the number of benefits they get from the organization or project. It is not necessary that all these costs are monetary in nature.

**Agency principle:** this principles states that the organization's manager will act as an agent for organization and hence he is answerable to the stakeholders and shareholders of the firm.

**The principle of limited immortality:** according to this principal organization should exist for a longer period of time rather than for a small period because if organization exists for short term, it can give advantages for some stakeholders and can put burdens on other stakeholders. And this will interrupt the key assumptions of stakeholder theory. So, the organization should be managed in a way that is exists for long time period. The word limited in this principle means that a firm can exist for a long period of time but it doesn't mean that the firm is immortal.

According to R. Edward Freeman et al. (2007), if expectation, needs and concerns of any stakeholder is not appropriately responded, then stakeholder can remove themselves from the organization which can affect the capability of organization to make and distribute wealth. The assumption that, "Financial value is shaped by individual who on their own work together and communicate with each other for welfare of everyone involved" is the key concept of stakeholder theory (R. Edward Freeman et al., 2004). Interestingly, an intelligent strategic scholar, Ghemawat (Elms et al. (2010)), perceives that formation of value for stakeholders and accomplishing an advantage over the competitor goes side by side, he proposed that "organizations have additional value when the link of clients, providers, and workers in which it functions is improved".

# Chapter 2

## Literature Review and Hypothesis Development

### 2.1 Literature Review and Hypothesis Development

#### 2.1.1 Stakeholder Management and Stakeholder Satisfaction

Root of the process of stakeholder management comes from stakeholder theory, that was proposed by Edward Freeman in 1984. This theory states that, maximization of profit is not the only goal of a firm, but equilibrium between expectations of stakeholders is recognized as an essential aspect for the continued existence and for organizations success for a longer period of time Donaldson and Preston (1995); Post et al. (2006). Though initially presented in opposition to the “shareholder view” by (Friedman, 1970), the discussion in recent times, is focused on a concept which considers mutual benefit of both shareholders and stakeholders (Shawn L. Berman et al., 1999). For reaching stability, organizations cannot just stand on the unintentional development of stakeholder associations, but it is necessary for them to consider and grow an administrative approach with the help of which they can begin long-lasting and maintainable relationships (Freeman, 1999).

According to this statement, an organization must be committed towards developing a widespread system of relations – that is not just restricted to shareholders, workers or customers – and should make investment in developing them so that they can become persistently extra active (Francesco Perrini & Tencati, 2006).

The process of stakeholder management, proposes that managers and planners must create and apply such procedures which eventually satisfy not only shareholders, and also several other numerous clusters linked to organization/businesses. The important job in this procedure is to manage and mix the relations and benefits of all of the recognized stakeholders in such a way that it confirms the long-term accomplishment of the organization. A stakeholder management method focuses on dynamic management of an organization's atmosphere, associations and the progression of common interests. A significant part of the stakeholder management is focused on the welfare of stakeholders rather than rather than considering them a mean for generating profit.

Base organizations who are running the project, initiate project in order to produce benefits. (Andersen, 2008). Stakeholder Theory by (Freeman, 1984) differentiates a management of stakeholder approach and management for stakeholder approach (Hueman et al., 2016). According to Hueman et al. (2016) management of stakeholder approach a project needs contributions from stakeholders for fulfilling the purpose of project. Accordingly management for stakeholders approach is based on understanding that all the stakeholders in an organization are valuable and they need attention of management, It is not necessary that what their help or harm potential is (Hueman et al., 2016). Combination of both approaches guarantees a higher flexibility regarding project stakeholder management. How different stakeholder relationships would be managed is reliant on the stakeholder and context of the project. Using combination of these approaches help in getting mutual benefits for both projects and stakeholders Hueman et al. (2016).

According to scholars who have been working on stakeholder management suggest that problems related to stakeholder management occur in projects because of insufficient involvement of stakeholders, when people managing the project are not certain about the goals of stakeholder management, when there are challenges in

identifying the potential stakeholder that is not visible, and insufficient engagement of stakeholders Pouloudi and Whitley (1997); Loosemore (2006); Bourne and Walker (2006); Rowlinson and Cheung (2008). For finding solution for these problems, project teams need to understand what is important and basic for management of stakeholders (D.I. Cleland & Ireland, 2002). Jergeas et al. (2000) recognized two aspects with which an organization can improve the process of management of stakeholders, which are: “communication with stakeholders and setting common goals, objectives and project priorities”.

Studies conducted by researchers Jones and Wicks (1999) and Grant T. Savage et al. (1991) there are different principles on the basis of which stakeholder theory is formed. In simple words, an organization will enter into a relationship with numerous groups that are impacted or have the capability to impact the organization (Emerson Wagner Mainardes et al., 2011). The focus of stakeholder management is to understand the nature of these relationships.

According to the stakeholder theory an organization has associations with many The main idea of stakeholder theory is that the organization has relationships with many important clusters of people and organizations can develop and retain the contribution of these individuals by giving priority and by equally harmonizing their benefits Clarkson (1998); Freeman (1984); Jones and Wicks (1999). Jones and Wicks (1999) demonstrate the assumptions of stakeholder theory, these assumptions are given below: an organization is linked to many clusters of individual i.e., stakeholders, these individuals can affect and are affected by organizations deliverables, process, and methods (Freeman, 1984); stakeholder theory considers the relations with stakeholder in case of both procedures that are followed and the results that they generate. All of the stakeholders have their own interests with their own intrinsic values associated with these interests, and these interest doesn't have hold on interests of other stakeholders Clarkson (1998); (Donaldson & Preston, 1995); stakeholder theory is focused on decision made by managers (Donaldson & Preston, 1995). Normally the main and clear aim of stakeholder theory is to give mangers an opportunity to understand stakeholders and the theory helps managers in managing stakeholder is a strategic way. (Freeman, 1999).

How significant the theory is for managers is mentioned in various studies of existing literature. Clarkson (1998); Donaldson and Preston (1995); Freeman (1984); Jawahar and Mclaughlin (2001); Moldoveanu (2003); Moldoveanu (2003); Grant T. Savage et al. (1991) they explain that proper management of stakeholders is linked to the survival of organization in the long run.

For successful management of stakeholders the first step is identification and analysis of stakeholders. (Serrador, 2009). According to Serrador (2009) following steps can be followed: first of all identification of stakeholder is very important, after that their needs should be recognized, then they should be managed according to their needs, and finally it is important to make sure that roles of stakeholders and their need are not altered. Ronald K. Mitchell et al. (1997) identified that in recent times classification of stakeholders is based on opposing entitlements made through the salience model. Identification of stakeholders can be done by taking in account the three attributes of stakeholders. 1. The ability (power) of stakeholder to effect organization. 2. How legitimate the relations of stakeholders are with the organization, and 3. How urgent are the demands of stakeholder in the organization. So according to the literature the salience of stakeholder is dependent on whether any of these 3 attributes or combination of these attribute is present in stakeholder.

The model of stakeholder salience is recommended by project management institute PMI, this institute basically provides and updates about the agenda used by individuals working in domain of project management and with that it publishes them in PMBOK (Project Management Body of Knowledge) Guide. Carvalho and Rabechini (2011).

According to Forbes expert panel (2020) every good organization knows how to keep their stakeholders satisfied. Organization can use different strategies for keeping their stakeholders satisfied: By conducting Mutually Beneficial Conversations, By communicating often, freely and consistently, by caring for stakeholders with transparency, by developing a service level agreement if required, by being proactive, by asking questions for clarification, by sharing good news and bad news as soon as possible, by never surprising the stakeholder, by keeping stakeholders

close, and by managing stakeholder expectations. Success of a project is not measured on the basis of whether it is completed on time and in budget: rather project success and failure is dependent on whether stakeholder is satisfied or not (Landau, 2019).

According to ESKEROD and JEPSEN (2016) for keeping stakeholders satisfied there is a need to manage them effectively and efficiently. Identification and management of stakeholder starts with initiation of the project, when stakeholders are identified, assessed and prioritized properly it leads to stakeholder satisfaction which in turn leads to project success ESKEROD and JEPSEN (2016). While implementing the process of stakeholder identification, assessment and prioritization organizations come to know about the requirements, wishes, concerns, contribution of stakeholders along with their help and harm potential with the help of different stakeholder analysis tools ESKEROD and JEPSEN (2016). Similarly, when stakeholders make contribution after their effective and efficient management and when all of their concerns, requirements and wishes are satisfied it leads to stakeholder satisfaction. On the basis of this discussion following hypothesis is proposed for study:

***Hypothesis 1: Stakeholder Management is positively related to stakeholder satisfaction.***

### **2.1.2 Stakeholder Management and Stakeholders' Risk attitude**

Numerous researchers have presented that a management of stakeholder method to power involves extended period of societal exchange among gatherings, shared belief, relations, obligation to specific associates, selflessness and helpful atmosphere Stoney and Winstanley (2001); Carter (2006). Existing literature depicts that it is important to an assess stakeholder demands and influence. It is a significant step in the development, application and accomplishment of a project (Olander & Landin, 2005). Management of stakeholders inside the organization us important for handling employee to employee relations in the base organization. Or you can

say that, the procedure of engaging varied client's requires cautious administration and cannot be managed in an unprofessional way (Rowlinson & Cheung, 2008). Management of external stakeholders can include management of various external stakeholders like regulatory authorities, local public, suppliers, media etc. (Rowlinson & Cheung, 2008). Different categories of stakeholder are identified and they are grouped together accordingly. Such as: those who are members of the project, secondary stakeholders e.g., government authorities, regulatory authorities etc. and local stakeholders e.g. local public, indigenous groups etc. (Lynda Bourne & Walker, 2005) state: "Managers of projects should be able to work more efficiently with the ability of stakeholder to use power by the means of people that are linked to them through their social networks".

The 7 principles for management of stakeholders were recognized out of 4 conferences held by the "Clarkson Centre for Business Ethics & Board Effectiveness" between 1993 and 1998. In these conferences experts of management presented and demonstrated thoughts on stakeholder theory and developed the principles which are stated as instructions which are useful for managers to manage their stakeholders Caux Round table (Conference, 2002). The 7 principles of stakeholder are called after Max Clarkson (Clarkson, 1993-1998) a brilliant scholar of Stakeholder Management. The first principle states that "Managers should acknowledge and actively monitor the concerns of all legitimate stakeholders, and should take their interests appropriately into account in decision-making and operations".

The second principle states that "Managers should listen to and openly communicate with stakeholders about their respective concerns and contributions, and about the risks that they assume because of their involvement with the corporation". The third Principle states that "Managers should adopt processes and modes of behavior that are sensitive to the concerns and capabilities of each stakeholder constituency". The fourth principle states that "Managers should recognize the interdependence of efforts and rewards among stakeholders, and should attempt to achieve a fair distribution of the benefits and burdens of corporate activity among them, taking into account their respective risks and vulnerabilities". The fifth principle states that "Managers should work cooperatively with other entities, both

public and private, to ensure that risks and harms arising from corporate activities are minimized and, where they cannot be avoided, appropriately compensated”.

The 7th principle states that “Managers should avoid altogether activities that might jeopardize inalienable human rights (e.g., the right to life) or give rise to risks which, if clearly understood, would be patently unacceptable to relevant stakeholders”. The seventh principle states that “Managers should acknowledge the potential conflicts between (a) their own role as corporate stakeholders, and (b) their legal and moral responsibilities for the interests of all stakeholders, and should address such conflicts through open communication, appropriate reporting and incentive systems and, where necessary”.

According to researchers Lee and Foo (2020) explained risk attitude as a selected answer to risks that are important, these risks are shaped by perception. Risk attitude is considered as one of the most important concepts that makes contribution towards the process of risk management in the domain of project management in case of both individuals and groups. It is a designated way of viewing important reservations (Lee & Foo, 2020). Meanwhile perception is an individual on matter, it recommends that the risk attitude of a person might be different as compared to other attitudes known by others (Hillson & Webster, 2005). In other words, perception can affect and individuals risk attitude.

Contingent on the area of study, risk attitudes can differ considerably. Numerous tangled ways have been considered for risk attitude. Previously a lot of research is undertaken on the construct of risk behavior in both psychological and economic studies. On the other hand very less attention is given to the construct of risk attitudes uncertainties (Lee & Foo, 2020).

The topic of risk attitude is constantly par of research that is concerned with its satisfactory induction (Glenn W. Harrison & Rutström, 2008). Similarly, very less attention is given towards examining the relationship between stakeholder management and stakeholders’ risk attitude. On the basis of above discussion following hypothesis is proposed for study:

***Hypothesis 2: Stakeholder Management is positively related to Stakeholders’ Risk Attitude.***



### **2.1.3 Stakeholders' Risk Attitude and Stakeholder Satisfaction**

According to (Hillson & Webster, 2005) Risk can be defined as “an uncertainty that could have a optimistic or adverse effect on one or more objectives”, and “attitude” is defined as “preferred state of mind, psychological view or disposition with regard to a circumstance or state”, then uniting these two concept can give an operationalized definition of “risk attitude” as “chosen state of mind with regard to those uncertainties that could have a positive or negative effect on objectives”, or in simple words “chosen response to perception of significant uncertainty”. According to project management expert Moura (2015) a stakeholders' risk attitude can be described as either averse, minimal, cautious, neutral or seeker. The difference between these risks' profiles can be explained as: Risk averse stakeholders' are not agreed to accept any risk experience. Minimal risk stakeholders consider that the lesser the risk the better. For accepting the risk, they require a lot of benefit against that risk. Risk cautious stakeholders opt for safer options, even if it they have to sacrifice benefits for the risk. Risk neutral stakeholder will evaluate available project options, and they will try to balance risk at hand with possible benefits. Risk seekers are enthusiastically looking for high value rewards, at the expense of high-risk exposure.

In existing literature different researchers have put forwards argument which states that organizations that focus on satisfying the expectations of stakeholders have amplified financial benefits than the competing organizations and because of that they are diversified in a positive way. Hillman and Keim (2001), Pascual Berrone et al. (2007). Vidaver-Cohen and Altman (2000) argued that organizations involved in international business should try to make good relations with local stakeholders so that they can reserve their appropriate character in these group of people. This statement is similar to (Freeman, 1984) stakeholder theory, which demonstrates the importance of organizations that attend to the expectations of groups that can influence or are influences by organization's activities, specifically as these cluster of individuals can delay corporate goals or can attack back if unethical practices

are used (Collins, 1989).

For understanding the link between stakeholders' risk attitude and satisfaction, it is vital to understand that stakeholders are general representative of society. Because, they are the groups who are straightly tangled with organizations, such as customers, providers, workers and shareholders as well as those who are indirectly related, such as experts and other specialists, the media, regulatory authorities, not for profit organizations, societal campaigners and resident groups (Freeman, 1984).

Toor and Ogunlana (2010) conducted a research study and results of that study on big public sector projects and the results of this study altered the topic and stated that projects are not only limited to the iron triangle and how stakeholders perceive and how much they are satisfied is directly related to success of projects. According to the view point of a base organization, ESKEROD and JEPSEN (2016) confirmed the significance of stakeholders by uttering that success of project is dependent on either stakeholders are motivated and either they are giving contribution towards the project.

If stakeholders are contributing and are motivated it means that they are satisfied. Similarly different researchers have argued that corporations in which stakeholder's expectations are satisfied can yield amplified financial benefits in comparison to competing organization (Hillman and Keim, 2001; Berrone et al., 2007). Stakeholder satisfaction is the sign of successful project completion (Usmani, 2021).

As mentioned earlier according to seven principles of stakeholder management presented by (Clarkson, 1998) his fourth principle includes the importance of stakeholder risks according to Clarkson management should identify the mutuality of struggles and benefits between stakeholders, and they should make efforts to achieve a just dissemination of the rewards and weight of company's activity between them, while considering related risks and weaknesses". Similarly in his sixth principle he stated that managers who are managing stakeholders should avoid such activities that lead to risks which are unacceptable to stakeholders.

According to Hillson and Webster (2005) diverse risk attitudes are displayed by diverse persons or cluster of individuals, contingent on the way they perceive risk.

Subsequently attitude determine behavior, different individuals will display diverse replies to similar situation, as an outcome of their opposing fundamental attitudes towards risk, a condition considered as highly risky by one individual will be seen as suitable by a different group or individual (Hillson & Webster, 2005). After detailed study of existing literature following hypothesis is proposed for study:

***Hypothesis 3: Stakeholders' risk attitude is positively related to Stakeholder Satisfaction.***

#### **2.1.4 Mediating role of Stakeholders' Risk Attitude**

As mentioned earlier according to (Hillson & Webster, 2005) when risk is considered as a doubt that could have an optimistic or bad effect on only one or more than one aims, and if attitude is considered as a selected condition of mind in relation to a detail or state, then together these concepts can be used for defining risk attitude which is stated as "Chosen state of mind with respect to those risks that could have a optimistic or undesirable effect on goals, deliverables and deliverables of a project". Perception is one of the most important factors that shapes a stakeholders' risk attitude.

According to different scholars perception can effect both risk and attitudes of an individual (Tversky & Kahneman, 1974); (Kahneman & Tversky, 1979); (Kahneman et al., 1982); (Lopes, 1987); (Slovic, 2000); (Gilovich et al., 2002); (Salovey P. et al., 2004) According to (Usmani, 2021) while constructing a risk management plan, identification of risks is the first step. After that manager prioritize and rank those risks. For prioritizing and ranking the identified risks, it is important to recognize the stakeholder's attitude towards risk. For example an vital risk for one stakeholder may not be vital for a different stakeholder (Usmani, 2021).

A collective approach should be implemented for ranking these risks. A manager will face difficulties in developing a risk management plan if he or she is not aware about the risk attitudes of stakeholders (Usmani, 2021). And it will also disrupt ability of a person to properly give priority to risk according to their ranks. As already mentioned, a person can have a different risk attitude towards a risk which

is considered a simple risk by another individual. Meaning that one individual will want to respond to a risk urgently and the other one will not care about the risk because for that person that risk doesn't require urgent response.

Usmani (2021) demonstrates that risk perception doesn't remain constant all the time; it depends on the situation and similarly it is contingent on different elements. Some individuals are scared of risks, some individuals are fair-minded towards them, and others enjoy risks and take it as an opportunity. Attitude is intrinsic, sometimes it is inherent in people (Usmani, 2021). Considering the risk attitude of stakeholders will help in keeping managers (i.e., performing stakeholder management and risk management) thoroughly informed about a stakeholder's capability to manage risks, to tolerate risks, and what he or she thinks about a risk. Risk attitude is considered as a factor (EEF) that alters as the project develops or progresses. There is a need for continuous communication with stakeholders so that organization and managers are well informed about any changes in risk attitudes of stakeholders (Usmani, 2021). Based upon the discussion made above following hypothesis is proposed:

***Hypothesis 4: Stakeholders' Risk attitude mediates the relationship between Stakeholder Management and Stakeholder Satisfaction.***

### **2.1.5 Moderating Role of Organizational Culture**

Organizational culture revolves around (Broms & Gahmberg, 1983), principles, common beliefs (Davis, 1984), expectations Schein, (1992), standards of behavior, norms, methods, processes and values in an organization (Ghosh et al., 2014; Martin, 1992; Nguyen and Aoyama, 2014). It is clear from the mission statement and vision statement, that what is the confidence level and performance level of employees, and the organization's way of action.

Organizational culture is considered as an adhesive that brings together the associates of an organization, which helps in amplifying performance of individuals in the organization Goffee and Jones (1996); Wilkins & Ouchi, (1983) and also helps in amplifying an individual's effectiveness in the organization.

Weiss (2008) “the shared values and meanings as held by organizational members in common, and are articulated and practiced by an organization’s leaders” are describe as organizational culture. Hence according to Weiss, organizational culture is conveyed: when leaders in the organization adopt and practice different styles of leaderships and values, and from the workers who are given recognition from the company and they are considered as models (Weiss, 2008). And by the values or rituals that are given importance by organizations, and by the intensity of relationship between heads of project and stakeholders of the project. (Weiss, 2008) further on explored that culture of an organization can be both unseen and observable, casual and proper, but it is important for those managing the project to learn and comprehend culture of organization by observing, by joining and collaborating with stakeholders of projects and organization. Additionally, project managers can understand and learn about culture of an organizations by: observing the physical atmosphere and environment of organization, by studying rules of organizations so that they are aware of organization’s standards and behaviors. Culture of an organization can be considered as strong and weak, but it depends on how much stakeholder agrees with the culture, how much he is committed towards norms, beliefs, standards, rules, rituals, process and procedures of the organization. DelCampo (2006); reilly and Chatman (1996); Smart et al. (1996); Sørensen (2002). Greater the commitment of stakeholders towards the norm, beliefs, standards, rules, rituals, process and practices the stronger will be the culture of organization. Gordon and DiTomaso (1992); Kotter and Heskett. (1992); Reilly (1989). Extensive participation of the company’s stakeholders in values, norms and process fortifies the culture of organization. A strong culture has norms and practices which are trailed and commonly experienced by members of organizations (DelCampo, 2006).

Schein (1985) demonstrates that culture is vital because it is an influential, invisible and mostly insensible force that influences behavior of individuals that are in a corporation. Evaluating culture can help managers to properly understand their company and helps them in finding a way to progress, by responding to the corporate atmosphere. (Schein, 1985) additionally proposes that culture is the

last instrument that is available for organizations to improve their competitive advantage.

Minshall et al. (1998) established the “Competing value framework (CVF)” so that culture types can be categorized. According to the model 4 types of culture are identified: 1. Hierarchy, 2. Market, 3. Clan and 4. Adhocracy. All of these culture types have their own features. The key cause that culture influences management of stakeholder is that culture helps in forming the behavior of people working in organization (Galbreath, 2010). As Schein (1985) found, culture of organization is a mechanism by which organizations are linked to their atmosphere.

A positive and strong organizational culture will leads towards better management of stakeholders because according to M. V. Davis et al. (2014) with strong organizational culture stakeholders understand what is required of them and they try to act accordingly, which ultimately help in properly understanding risk attitudes of stakeholders.

***Hypothesis 5: Organizational Culture will moderate the relationship between stakeholder management and stakeholder risk attitude such that increase in organizational culture will strengthen the relationship.***

## 2.2 Research model

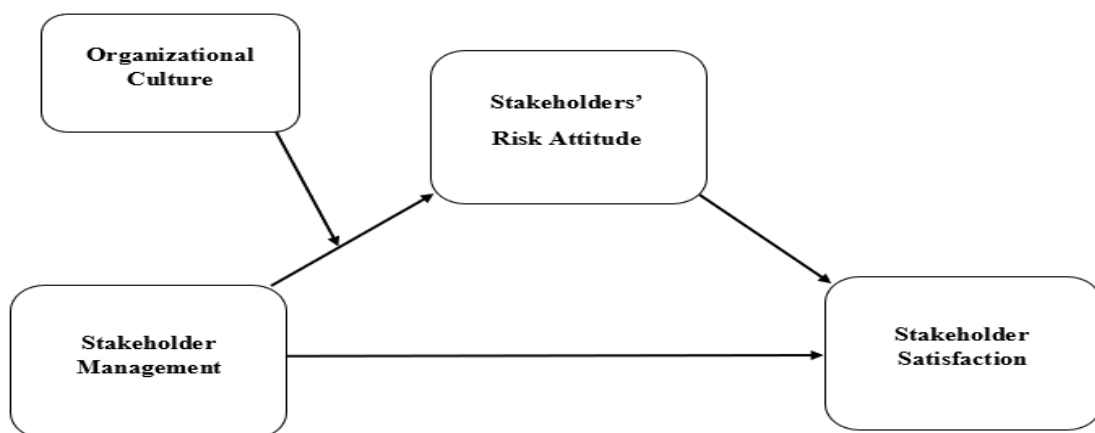


FIGURE 2.1: Research Model

## 2.3 Hypothesis of study

After detailed review of literature following hypothesis are proposed for study:

*Hypothesis 1: Stakeholder Management is positively related to stakeholder satisfaction.*

*Hypothesis 2: Stakeholder Management is positively related to Stakeholders' Risk Attitude.*

*Hypothesis 3: Stakeholders' risk attitude is positively related to Stakeholder Satisfaction.*

*Hypothesis 4: Stakeholders' Risk attitude mediates the relationship between Stakeholder Management and Stakeholder Satisfaction.*

*Hypothesis 5: Organizational Culture will moderate the relationship between stakeholder management and stakeholder risk attitude such that increase in organizational culture will strengthen the relationship.*

# Chapter 3

## Research Methodology

### 3.1 Research Design

#### 3.1.1 Type of Study

The purpose of this research is to examine the impact of stakeholder management on stakeholder satisfaction. A cause-and-effect relationship exists meaning such relationship in which one event causes another to happen therefore a positivist approach (i.e., Data was collected and interpreted in an objective way) was used. Hypothetical deductive research method for this study was used. In hypothetical deductive research method, a problem is identified, a framework is developed, hypothesis is proposed for study, scale for measuring variables are determined, data is collected, data is analyzed and then data is interpreted to check whether the hypothesis proposed are accepted or rejected. In this research study an existing theory was used for testing different variables, so the study is based on the theory-hypothesis confirmation.

#### 3.1.2 Quantitative Research

For this research study a quantitative research approach was used, because variables of the study were quantified and analyzed by using measurement scales so that relationship and link between the constructs was identified. Cross sectional



survey method was used for collection of data meaning that data for this study was collected at one given point in time from a sample population.

### **3.1.3 Sample Size and Unit of Analysis**

In a project-based organization stakeholders are of different type they can be either internal or external, primary or secondary etc. there are different project stakeholders in different project meaning they can vary from project to project and for this reason data was collected from internal stakeholders on the basis of their role in project, all these stakeholders were invited to participate tangibly in this study. The internal stakeholders from whom the data was collected were connected to projects and they were linked with some project-based organizations of Pakistan. A website called [surveysystem.com](http://surveysystem.com) was used for calculating the sample size of this research study. Sample size of this study is calculated by inserting the confidence level at 95 % and confidence interval at 5. After calculation the resulting sample size for my study was 435. As mentioned earlier a cross sectional survey method was used and for this purpose questionnaires were distributed among different stakeholders that were linked with project-based organizations of Pakistan and are a part of some project in that organization.

## **3.2 Sampling Technique**

Different sampling techniques are used by different researchers on the basis of context of their study for my research. A type of non-probability sampling called convenience sampling was used. In non-probability sampling those units are incorporated in the sample who are easiest to access. Convenience sampling is selected because of some of its advantages like: there are smaller number of rules due to which it can be undertaken easily, time and cost essential to perform convenience sampling is lesser as compared to other sampling techniques, data for sampling is easily available, and data is collection in this type of sampling is quick.

From minimum 435 respondents' data was calculated, for meeting sample size

requirements. Self-administered questionnaires were distributed among the sample and respondents were required to fill these questionnaires and return them without worrying about their private information. They were told that this data is for academic research only and their responses will remain confidential.

### **3.3 Contribution to study**

All of the projects that are being managed in recent times have stakeholders and they impact project in one way or the other. One of the key reasons why projects fail is for the reason that the deliverables were not what the stakeholder desired or the stakeholder needs are not met. To ensure that the project will be a success, it will be beneficial if you are aware about all the important stakeholders on your project, what method they prefer for communication, what their needs are, and what are the results that are satisfactory. Accordingly, stakeholders are very important for a project: They provide expertise, they help in reducing and uncovering risks associated with the project, they help in identifying the project success criteria, and they are the ones who approve or accept the project and much more. If stakeholder in project is not managed correctly it can lead to disasters in a project. For example, if requirement of a project stakeholder with high influence is not addressed properly it can lead to ending of the project without its successful completion.

After doing an extensive literature review, we have come to know that stakeholder management, stakeholder risk attitude, and stakeholder satisfaction are constructs with high value in today's world of project management. This research will help organizations in managing stakeholders in such a way that they have information about risk attitude of different stakeholders, and different strategies by which they can satisfy their stakeholders. It will also help organizations in developing an organizational culture that is suitable for any kind of stakeholders that are linked to the project or the organization in some way. This research will help organizations and management in developing such strategies and process that will ultimately lead to stakeholder satisfaction and will help in successful completion

of the project.

## 3.4 Sample Characteristics

### 1. Gender

According to the Table 3.1 given below out of 435 respondents, 323 respondents were male and 112 were females. According to this data 74.3 percent respondents were male and 25.7 percent were female. This indicates that number of male respondents were higher than female respondents.

TABLE 3.1: Frequency by Gender

Gender	Frequency	Percentage
Male	323	74.3%
Female	112	25.7%
Total	435	100%

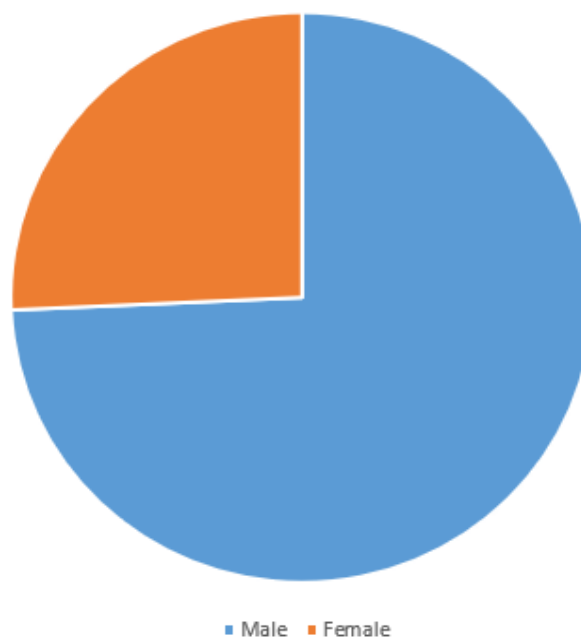


FIGURE 3.1: Gender of Respondents

### 2. Education

By looking at the Table 3.2 we can see that 14 responses were from respondents who have a college level qualification which 3.2 percent. The highest

number of responses 189 were from individuals who had a bachelor’s degree their percentage is 43.4out of total respondents. 52.9 % respondents had a master’s degree with a frequency of 230. And only 2 respondents were PHDs and their percentage was 0.5 percent.

TABLE 3.2: Frequency by Education

Education	Frequency	Percentage
School	-	-%
College	14	3.2%
Bachelors	189	43.4%
Masters	230	52.9%
PHD	2	0.5%
Total	435	100%

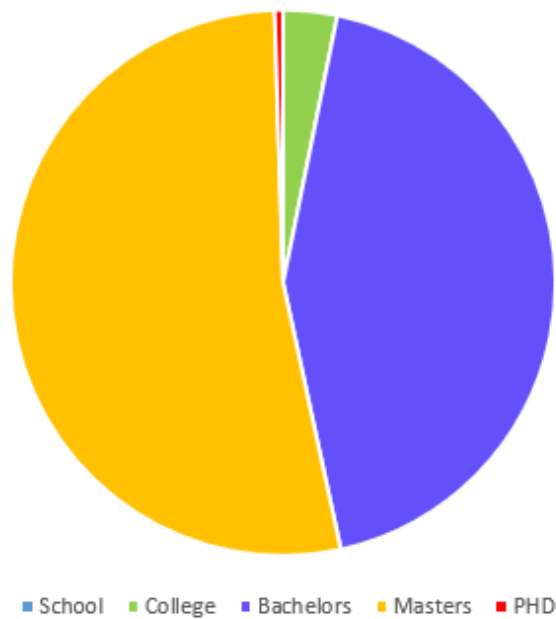


FIGURE 3.2: Education of Respondents

### 3. Age

The Table 3.3given below illustrates those 43 respondents out of 435 were between ages 18-24. Which is 9.9 % of the total respondents. The highest number of respondents that is 192 were between ages 25-34 that is 44.1 %.

TABLE 3.3: Frequency by Age

Age	Frequency	Percentage
18-24	43	9.90%
25-34	192	44%
35-44	173	39.80%
45-54	27	6.20%
55 or more	-	-
Total	435	100%

173 respondents were of ages 35-44 that is about 39.8 %. 27 respondents were of ages 45-54 that is 6.2 %.

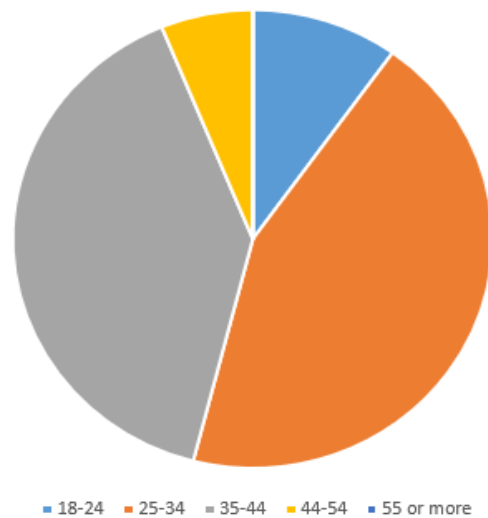


FIGURE 3.3: Age of Respondents

#### 4. Experience

Respondents with experience of 4-7 years were highest in number that is 258 which is 59.3%. Respondents with experience of 1-3 years were 59 which is 13.6 %. 105 respondents have experience of 8-11 years that is 24.1 %. 13 respondents had an experience of 12-15 years which is 3 %.

#### 5. Project Role

The highest number of responses are from project execution team that is 175 which 40.2 percent. 14 respondents were sponsors which is 3.2 %. 160 respondents were beneficiaries which 36.8 %. 42 respondents were PMO staff which is 9.7 %. 44 respondents were project managers which is 10.1 percent.

TABLE 3.4: Frequency by Experience

Experience	Frequency	Percentage
1-3	59	13.60%
4-7	258	59.30%
8-11	105	24.10%
12-15	13	3%
Over 15	-	-
Total	435	100%

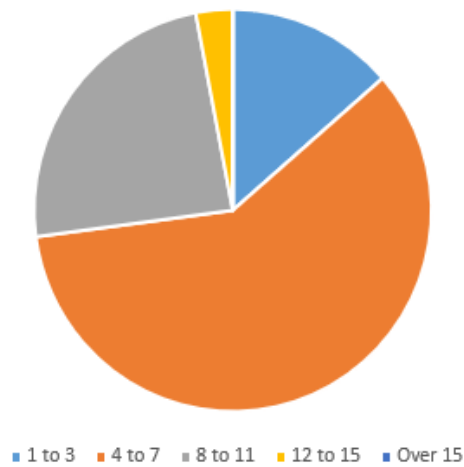


FIGURE 3.4: Experience of Respondents

TABLE 3.5: Frequency by Role in Project

Role in Project	Frequency	Percentage
Sponsors	14	3.20%
Beneficiary	160	36.80%
PMO Staff	42	9.70%
Project Manager	44	10.10%
Project Execution Team	175	40.20%
Total	435	100%

### 3.5 Research Instrument

As mentioned earlier this study is a quantitative research study and we have used questionnaires for collecting data. And the questionnaires that we used were close ended questionnaires. These questionnaires contains close ended questions

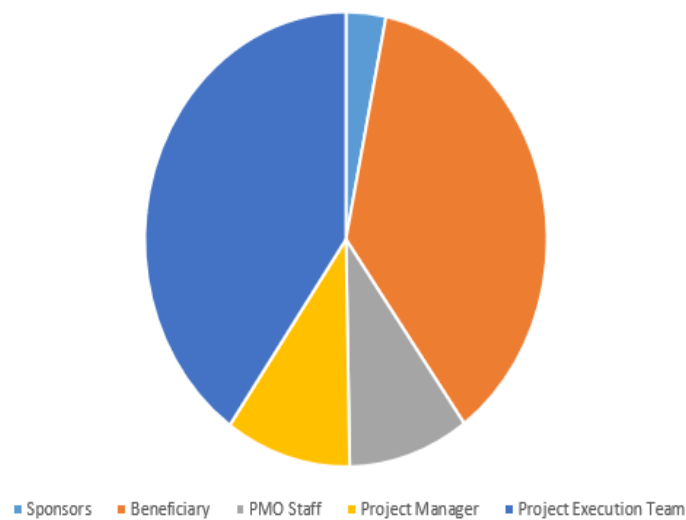


FIGURE 3.5: Respondent's Role in Project

that will request participants to choose from some already defined responses. My questionnaire included five sections and those participating were required to fill out all the questions in these sections. These Sections are:

- Demographic Variables ( gender, education, age, experience, and role in project)
- Stakeholder Satisfaction
- Stakeholders' Risk Attitude
- Stakeholder Satisfaction
- Organizational Culture

For measuring these constructs scales are adopted from existing literature. These variables are rated on 5-point Likert type scale that ranges between 1 (strongly disagree) to 5 (strongly agree). Explanation about the scales used for each construct in this study is given below:

### 3.5.1 Stakeholder Management

The construct of stakeholder management was measured by 10 items scale

developed by (Ronald K. Mitchell et al., 1997), (Olander & Landin, 2005). The similar scale was used by (Pinto et al., 2009) in adherence to my study. The scale consists of two dimensions stakeholder relational and stakeholder perspective. Sample item from each scale is: “Stakeholders of the project, especially those with high power and influence, had their needs deployed in actions and activities throughout the life of the project” and “during the execution of the project, inclusions and/or changes in activities were planned to adapt the identified needs of the Stakeholders”.

### **3.5.2 Risk Attitude**

For measuring the variable of risk attitude a 6 items risk attitude scale by (Joost & Smidts, 2000) was used. Originally this scale consisted of 11 items but then after conducting a pilot study these items were reduced to 6 for measuring risk attitude (Joost & Smidts, 2000). A sample item of this scale is “I like taking big financial risks”.

### **3.5.3 Stakeholder Satisfaction**

The original scale for measuring construct of satisfaction was developed by (Mobley et al., 1978) other researchers have also used this scale in their research studies like ( Greenhaus et al. (1990); Igarria and Baroudi (1993); Jiang and Klein (1999) ). The Scale consists of 5 items that are used for measuring stakeholder satisfaction. A sample item of this scale is “I am satisfied with the progress I have made toward meeting my overall project goals”

### **3.5.4 Organizational Culture**

For measuring construct of organizational culture a 13 items scale developed by (Dawson et al., 2011) was used. The scales includes items that are related to organizations culture in which they include questions that revolve around employees, employee training, diversity etc. Some sample item from the scale are “The



organization treats mistakes as opportunities to learn”, “there is an entrepreneurial spirit among managers” and “Training is important within the organization”.

### **3.6 Data Analysis Techniques**

As mentioned earlier data was collected using survey questionnaires. Data was entered in Software Package for Social Science-21, the same software will be used for cleaning and processing of data. For purpose of data analyses SPSS-21 PROCESS macro by Andrew F. Hayes was used.

PROCESS macro was used because different types of models can be investigated by using PROCESS macro like: Mediation, multi-mediation, mediation-moderation, and moderation-mediation. After collection of data from 435 respondents, the data was analyzed by using SPSS software version 21. Different kind of analysis were perform in order to achieve the objective the detail of these analysis is given below:

- Only those questionnaires are selected that are responded properly.
- Variables used in questionnaire were coded and then they were used for analysis.
- For explaining sample characteristics frequency tables were used.
- Descriptive statistics were conducted.
- Reliability analysis was conducted for assessing reliability of scales.
- For understanding the significance of relationship between variables of this study correlation analysis was conducted.
- Andrew F. Hayes process macro version 4.0 was used for checking moderation and mediation.
- Process macro model 1 was used for analyzing Moderation in model and model 4 was used for checking mediation.

### 3.7 Confirmatory Factor Analysis

In existing research for checking reliability and validity of scale confirmatory factor analysis is also used by different researchers. For conducting confirmatory factor analysis I have used a software called AMOS by IBM. According to the result of analysis all the values of CFI, GFI, TLI and RMSEA are significant.

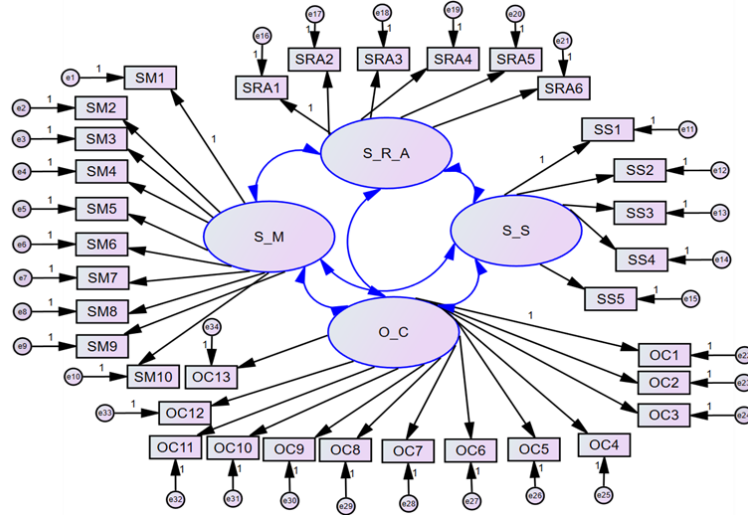


FIGURE 3.6: Confirmatory Factor Analysis

TABLE 3.6: Confirmatory Factor Analysis (CFA)

	X <sup>2</sup>	df	X <sup>2</sup> /df	GFI	TLI	CFI	RMSEA
Hypothesized Model	1218.1	532	2.312	0.905	0.945	0.956	0.064

According to the table given above the value of GFI in the table is 0.905. Accordingly values of TLI is 0.945 and values of CFI is 0.956 which is significant because it is in acceptable range according to Bentler and Bonnet (1980). The value of RMSEA should range between 0.05 and 0.10, a value in this range is considered ideal. From the table given above it is clear that the value of RMSEA is 0.064 which is in acceptable range. Further details of confirmatory factor analysis is given in table given above.

### 3.8 Pilot Testing

Pilot study is conducted to test reliability of scales that are used for measurement in the proposed research study before a complete scale analysis is conducted. This study typically trails the precise similar procedures and methods that are used in analysis of actual data. Pilot study can help in examining the validity of the variables (Teijlingen & Hundley, 2001). It is carried out before gathering the actual data, to see the respondent's opinion and to check if the items of scale are easily understood by respondents or not.

TABLE 3.7: Reliability of Pilot Testing

Variables	No. of items	Cronbach's Alpha
Stakeholder Management	10	0.775
Stakeholder Risk Attitudes	06	0.833
Stakeholder Satisfaction	05	0.780
Organizational Culture	13	0.859

$N = 435$

According to the previous literature pilot testing is done on 10 % of the total sample size it is mostly more than 40 respondents and of these responses' reliability is checked. According to research study conducted by Haier et al 2006 value of Cronbach's Alpha above 0.7 is acceptable. After performing the pilot study, I was able to recognize that reliability of the scales was in satisfactory range. Results of this pilot study gave hint that I can continue with my research study.

### 3.9 Reliability of Scales

For checking internal consistency of data reliability tests are carried out. Reliability tests signifies that how different variables of study are related closely. According to research study conducted by Haier et al 2006 Cronbach's Alpha's value higher than 0.7 is acceptable. According to the table 7 given below the value of each variable's Cronbach's alpha is above 0.7. Cronbach's alpha's value for stakeholder management is 0.892 with 10 items. Cronbach's alpha's value for stakeholder risk attitude is 0.811 with 06 items. Cronbach's alpha's value for stakeholder satisfaction is 0.844 with 05 items. Cronbach's alpha's value for organizational culture is 0.916 with 13 items. According to this data all the values

TABLE 3.8: Reliability Analysis

<b>Variables</b>	<b>No. of items</b>	<b>Cronbach's Alpha</b>
Stakeholder Management	10	0.892
Stakeholder Risk Attitudes	6	0.811
Stakeholder Satisfaction	5	0.844
Organizational Culture	13	0.916

$N = 435$

are in acceptable range (i.e., above 0.7) which means that we can continue further with our analysis.

# Chapter 4

## Analysis and Findings

### 4.1 Descriptive Statistics

Descriptive statistics are used to access the important points of information about variables such as stakeholder management, stakeholder risk attitude, stakeholder satisfaction and organizational culture. The results of descriptive statistics analysis include the N value that is total number of respondents, each variable's minimum and maximum values, each variable's means and standard deviations. Mean values are used for validating the average of responses and the standard deviation values are used to explain the variation of responses from their means. Table of descriptive statistics gives a summary of the complete data with all the information that is related to the significant statistics points. All the variables of my study were measured at 5 points Likert scale. Similarly, the table given below gives summary of the whole data with some significant figures.

Descriptive statistics of this study is given in in table 8. These values are basically observation of respondent regarding particular variable. This table displays that sample size of each variable was 435. Minimum and maximum value of each variable is displayed accordingly. For stakeholder management the lowest value is 1.30 and highest value is 5, for stakeholder risk attitude the lowest value is 2 and highest value is 5, for stakeholder satisfaction the lowest value is 1.40 and highest value is 5, and for organizational culture the lowest value is 1.69 and highest is 5. In

the fourth column values of mean are displayed for each variable. Values of mean for each variable is 3.7160 (Stakeholder Management), 3.6195 (Stakeholder Risk Attitude), 3.6776 (Stakeholder Satisfaction) and 3.5574 (Organizational culture). Before going towards values of standard deviation it is necessary to understand that bigger the value of standard deviation bigger will be the number of outliers. If there are high number of outliers, they can disrupt the data. In case of this study values of standard deviation for each variable is low. For stakeholder management the value is 0.45840, for stakeholder risk attitude the value is 0.49860, for stakeholder satisfaction the value is 0.52241 and for organizational culture the value is 0.50348.

TABLE 4.1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
<b>Sstakeholder Management</b>	435	1.3	5	3.716	0.4584
<b>Sstakeholder Risk Attitude</b>	435	2	5	3.6195	0.4986
<b>Sstakeholder Satisfaction</b>	435	1.4	5	3.6776	0.52241
<b>Oorganizational Culture</b>	435	1.69	5	3.5574	0.50348

## 4.2 Correlation Analysis

The study is focused on examining the association between stakeholder management and stakeholder satisfaction, with mediating role of stakeholder risk attitude and moderating role of organizational culture. Accordingly, hypothesis is proposed for testing. The main aim of correlation analysis is to determine how the variables are associated with each other. In my study the aim is to find the correlation between the variable of study, for making proposed hypothesis valid.

Correlation analysis is conducted to find out the type of variation between the variables, i.e., are variables are changing together at the same time or not. Pearson correlation analysis demonstrates about the strength and nature of the association between variables. And this can be identified by looking at the Pearson correlation range i.e., -0.1 to +0.1. if the correlation between two variables is distant from 1 it means that the relationship between the two variables is strong. If the sign on the value of correlation is positive it means that with surge in one variable the

other variable will also increase which means that there is a direct relation between two variables, but if the sign with value of correlation is negative it means that with increase in one variable the other will decrease which means that there is an indirect relationship. Table for correlation between the variables of this study are given below.

TABLE 4.2: Correlation Analysis

Variables	Stakeholder Management	Stakeholder Risk Attitude	Stakeholder Satisfaction	Organizational Culture
<b>Stakeholder Management</b>	1			
<b>Stakeholder Risk Attitude</b>	0.203**	1		
<b>Stakeholder Satisfaction</b>	0.562**	0.207**	1	
<b>Organizational Culture</b>	0.504**	0.177**	0.606**	1

*Correlation is significant at the 0.01 level (2-tailed). \*\**

According to Cohen et al (2014) the value of correlation between two variables represents a weak or small correlation when it ranges between 0.10 to 0.29. the value which ranges between 0.30 to 0.49 represents a moderate correlation and values between 0.5- to 0.80 represents a strong correlation between variables. According to table 9 given above the value of correlation between stakeholder management and stakeholder risk attitude is 0.203 with \*\* mean that there is a significant but weak relation between the two variables the positive sign indicates that increase in one variable can cause increase in the other variable but on a very small scale.

Accordingly, the correlation value for stakeholder management and stakeholder satisfaction is 0.562 with \*\* mean that there is a strong correlation between the two variable and positive sign indicates that when stakeholder management will increase stakeholder satisfaction will also increase. The value of correlation between stakeholder satisfaction and organizational culture is also 0.504 with \*\* and a positive sign which means that there is a strong correlation between both variables.

The value of correlation between stakeholder risk attitude and stakeholder satisfaction is 0.207 with \*\* and a positive sign which means that there is a weak relationship between both variables. The value of correlation between stakeholder risk attitude and organizational culture is 0.177 with \*\* which means that there is a weak relationship between variables. The value of correlation between

stakeholder satisfaction and organizational culture is 0.606 with \*\*, the positive sign indicates that with increase in stakeholder satisfaction organizational culture will also increase, which means that there is a positive relationship between the variables. P value less than 0.001 indicates that the chances of error is less than 0.001 which means that there is only one percent chance of error in the data. In my case all the values are significant with \*\* which means that chance of error in the data is less than 1 %.

### 4.3 Testing Theoretical Relationships

For analyzing the theoretical relationships, mediation and moderation we will be using Andrew F. Hayes Process Macro (2012) version 4.0 in statistical package for social sciences SPSS. This tool basically uses technique of bootstrapping in which random samples are made from data for calculation of anticipated statistics in each sample (Preacher & Hayes 2004). For conducting mediation analysis between stakeholder management and stakeholder satisfaction through stakeholder risk attitude I have used model 4 in process macro. And for testing moderation effect of organizational culture between stakeholder management and stakeholder risk attitude, and for testing moderated mediation I have used model 7 in process macro.

#### 4.3.1 Direct Effect of Stakeholder Management on Stakeholder Satisfaction

In first step I tested the relationship between IV (Independent Variable) on the DV (Dependent Variable) without the M (Mediator). Which means in first step I will be testing the relationship between stakeholder management and stakeholder satisfaction which is basically the testing of direct effect. According to model 4 this path is known as path “c”. According to the Table 10 and Figure 2 given below stakeholder management is a significant predictor of stakeholder satisfaction. According to the values of table stakeholder management will bring about



4.6 units change in stakeholder satisfaction. Positive sign of the value 0.046 indicates that 1 unit increase in stakeholder management will increase stakeholder satisfaction by 4.6 units. Along with that p value below 0.01 represents that the relationship between the values is significant. Furthermore, there is no zero between the values of LLCI and ULCI (i.e., 0.528 and 0.709) which also indicates that relationship is significant. Which mean that first hypothesis of the study which states that “Stakeholder Management is positively related to stakeholder satisfaction” is accepted.

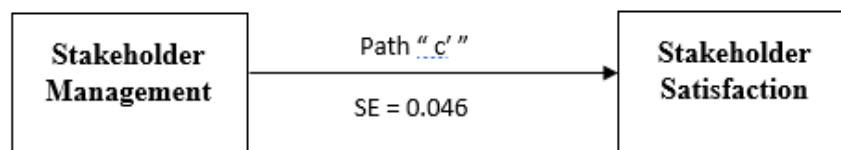


FIGURE 4.1: Direct effect of X on Y

TABLE 4.3: Direct Effect of X on Y

Predictor	Effect	SE	t	p	LLCI	ULCI
SM to SS	0.619	0.046	13.45	0	0.528	0.709

*N=435, SM= Stakeholder Management, SS= Stakeholder satisfaction, LLCI= Lower limit Confidence Interval, ULCI= Upper Limit Confidence interval.*

### 4.3.2 Mediation Analysis

According to Table 11 and Figure 3 given below the result of path “a” that is the effect of independent variable (Stakeholder Management) on mediator (Stakeholder Risk Attitude) is significant. The value of 0.051 suggests that stakeholder management will bring 5.1 unit change in stakeholder risk attitude. Which means that 1 unit increase in stakeholder management will increase stakeholder risk attitude by 5.1 units. P value of 0.00 suggest that the relationship is significant because it is below 0.01 and there is only 1 % chance of error in data. Along with that, values of LLCI and ULCI (i.e., 0.120 and 0.321) also suggest that the

effect is significant because there is no zero between the values and both values are positive. Hence the second hypothesis of my study “Stakeholder Management is positively related to Stakeholders’ Risk Attitude” is accepted.

TABLE 4.4: Direct Effects

Predictor	Effect	SE	t	p	LLCI	ULCI
SM to SRA	0.221	0.051	4.313	0	0.12	0.321
SRA to SS	0.102	0.042	2.404	0.017	0.019	0.185

*N=435, SM= Stakeholder Management, SS= Stakeholder satisfaction, SRA= Stakeholder Risk Attitude, LLCI= Lower limit Confidence Interval, ULCI= Upper Limit Confidence interval.*

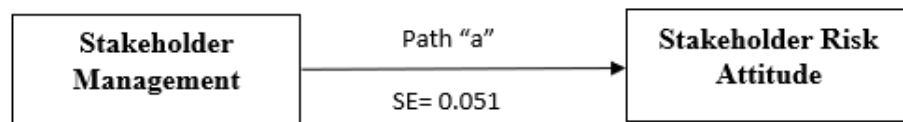


FIGURE 4.2: Direct Effect of SM on SRA

If we look at Table 11 and Figure 4 the effect of mediator (Stakeholder Risk Attitude) on dependent variable (Stakeholder Satisfaction) is significant. The value of 0.042 suggests that stakeholder risk attitude will bring 4.2 unit change in stakeholder satisfaction. Which means that 1 unit increase in stakeholder risk attitude will increase stakeholder satisfaction by 4.2 units. P value of 0.017 suggest that the relationship is significant because it is below 0.05 and there is only 5 % chance of error in data. Along with that, values of LLCI and ULCI (i.e., 0.019 and 0.185) also suggest that the effect is significant because there is no zero between the values and both values are positive. Hence the third hypothesis of my study that “Stakeholder Risk Attitude is positively related to Stakeholders Satisfaction” is accepted.

Table 12 and Figure 5 demonstrate the result of the indirect effect of stakeholder management on stakeholder satisfaction through stakeholder risk attitude. This is also known as patch “c”. according to the test results with help of process

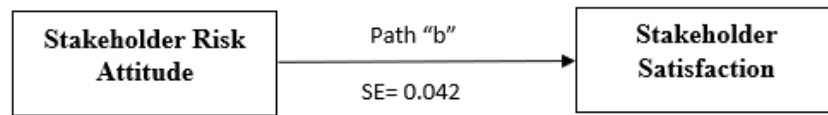


FIGURE 4.3: Direct effect of SRA on SS

macro model 4 in SPSS. The indirect effect of stakeholder management on stakeholder satisfaction through stakeholder risk attitude is significant as the values of BootLLCI and BootULCI (i.e., 0.001 and 0.055) are positive and there is no zero between both values. Furthermore, with presence of mediator stakeholder risk attitude stakeholder management will bring 1.4 units change in stakeholder satisfaction. As both values are positive this means that there is a mediation in the model. Accordingly, because both values of direct effect and indirect effect are positive this means that with presence of mediator the total effect will increase. Furthermore, both indirect and direct effect are significant this means there is a partial mediation. Hence the fourth hypothesis of my study that “Stakeholders’ Risk attitude mediates the relationship between Stakeholder Management and Stakeholder Satisfaction” is accepted.

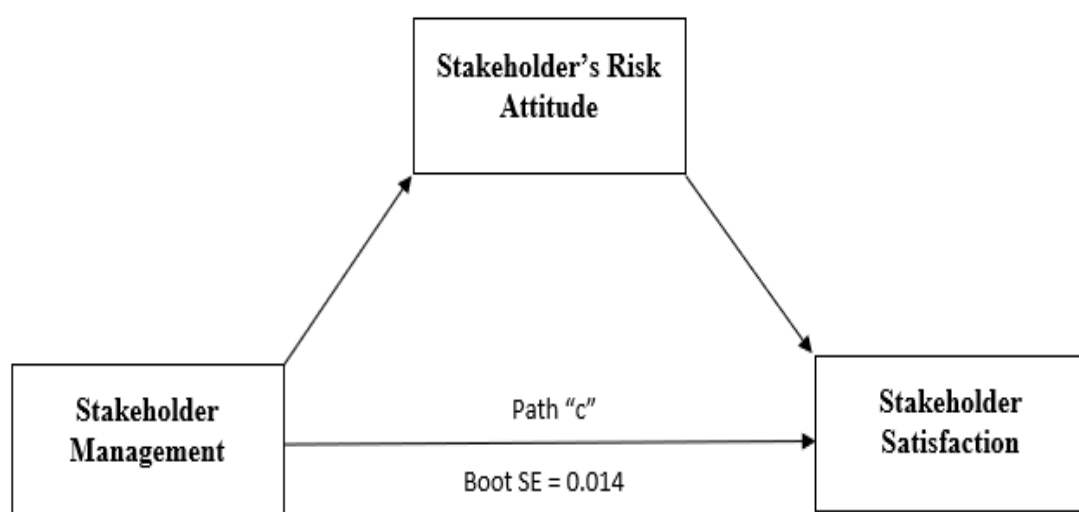


FIGURE 4.4: Indirect Effect of X on Y

TABLE 4.5: Indirect Effect of X on Y

Bootstrap for Indirect Effect	Effect	Boot SE	Boot LLCI	Boot ULCI
Stakeholder Risk Attitude	0.022	0.014	0.001	0.055

$N=435$ ,  $SRA$ = Stakeholder Risk Attitude,  $LLCI$ = Lower limit Confidence Interval,  $ULCI$ = Upper Limit Confidence interval.

### 4.3.3 Moderation Analysis

For analyzing the moderating role of organizational culture, we used model 7 of process macro in SPSS. The Table 13 given below illustrates that the role of organizational culture as a moderator is significant. The values of LLCI and ULCI (i.e., 0.047 and 0.257) at Int-term (i.e., Stakeholder management x Organizational culture) are both positive and there is no zero between the two values which means that effect of organizational culture as a moderator between stakeholder management and stakeholder's risk attitude is significant.

Furthermore, the positive value of 0.054 suggests that organization culture as a moderator will bring 5.4 units change. The value of p is 0.005 which mean that chance of error in data is 1 percent and the effect of moderator is significant. Accordingly, my fifth hypothesis that "The positive relationship between Stakeholder management and Stakeholders' Risk Attitude will be stronger when there is a strong organizational culture" is accepted.

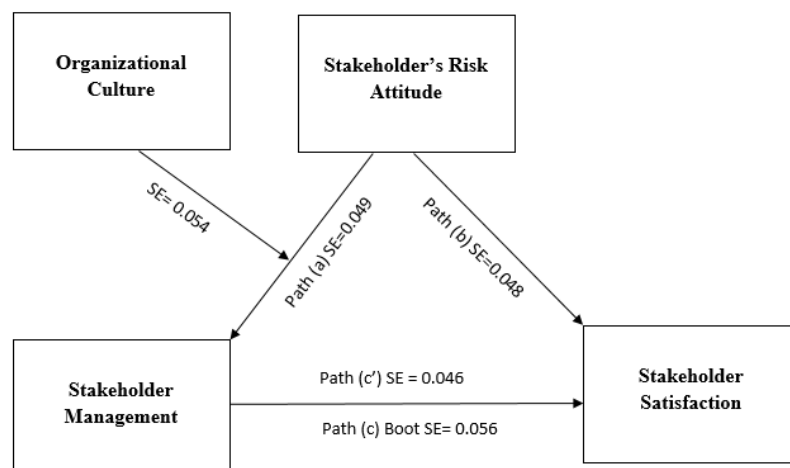


FIGURE 4.5: Research Model with Results

TABLE 4.6: Moderation Effect

	<b>Coeff</b>	<b>SE</b>	<b>t</b>	<b>p</b>	<b>LLCI</b>	<b>ULCI</b>
<b>Constant</b>	4.238	0.597	7.102	0	3.065	5.411
<b>Int-term</b>	0.152	0.054	2.833	0.005	0.047	0.257

*N=435, Int-term= Stakeholder management x Organizational culture*

## 4.4 Hypothesis Result Summary

TABLE 4.7: Hypothesis Result Summary

<b>Hypothesis</b>	<b>Statement</b>	<b>Status</b>
<b>H1</b>	Stakeholder Management is positively related to stakeholder satisfaction.	<b>Supported</b>
<b>H2</b>	Stakeholder Management is positively related to Stakeholders' Risk Attitude.	<b>Supported</b>
<b>H3</b>	Stakeholders' risk attitude is positively related to Stakeholder Satisfaction.	<b>Supported</b>
<b>H4</b>	Stakeholders' Risk attitude mediates the relationship between Stakeholder Management and Stakeholder Satisfaction.	<b>Supported</b>
<b>H5</b>	Organizational Culture will moderate the relationship between stakeholder management and stakeholder risk attitude such that increase in organizational culture will strengthen the relationship.	<b>Supported</b>

# Chapter 5

## Conclusion and Recommendation

The study was conducted for examining the relationship between stakeholder management and stakeholder satisfaction, along with the mediating role of stakeholder's risk attitude and moderating role of organizational culture. In this chapter I will discuss the results of the data analysis that was conducted in chapter 4. With this chapter will evaluate the relationship between the variable of this study and finding from the last chapter. This chapter will help us in linking results of this study with previously conducted studies, and will help in determining that how much our result deviates or are in line with the results of existing literature. At the end of this chapter, I will be discussing about how this study is contributing theoretically, what are the practical implications of the study, what are the limitations of this study and I will give future direction and recommendations.

### 5.1 Discussion

#### 5.1.1 What is the Relationship Between Stakeholder Management and Stakeholder Satisfaction?

The first hypothesis of the study states that "*Stakeholder Management is positively related to stakeholder satisfaction*" and it is supported by the existing literature and also from the results of analysis. According to the Table 10 and Figure 2 given

below stakeholder management is a significant predictor of stakeholder satisfaction. According to the values of table stakeholder management will bring about 4.6 units change in stakeholder satisfaction. Positive sign of the value 0.046 indicates that 1 unit increase in stakeholder management will increase stakeholder satisfaction by 4.6 units. Along with that p value below 0.01 represents that the relationship between the values is significant.

Furthermore, there is no zero between the values of LLCI and ULCI (i.e., 0.528 and 0.709) which also indicates that relationship is significant. In an organization if stakeholders are managed correctly by applying proper stakeholder management techniques or methods it can help in increasing stakeholder satisfaction which will lead to successful completion of projects. From existing literature, it is clear that project success or failure is affected by stakeholder's satisfaction. Management of stakeholder's starts from beginning or initial stages of the project. According to researchers ESKEROD and JEPSEN (2016) in their study they identified that stakeholders are identified and managed from starting of the project and it is carried out throughout the life of project, according to them when stakeholders are recognized, evaluated, Identification and management of stakeholder starts with initiation of the project, when stakeholders are identified, assessed and given priority in a proper way, it can lead to increase in stakeholder satisfaction.

If in an organization specifically project-based organization if stakeholders are not managed in a planned way it can lead to failure of projects which affect organizations in the long run. In this regard (Freeman, 1999) suggested that organization should focus on developing managerial approaches with the help of which they can have successful and long term relationships with their stakeholder. In regard to this statement organizations should commit towards developing a broad network of relations, which are not just limited to workers, customers and suppliers but it should focus on making relations with each and every one of identified stakeholders and should also focus on nurturing these relationship so that they are more efficient and effective (Francesco Perrini & Tencati, 2006). Stakeholder management is a process which elaborates that management and planning authority of organization should be involved in development of such process that eventually

satisfy not only shareholders but everyone who is identified as a stakeholder (i.e., every other group related to the business).

The results of this study are in line with the existing literature that stakeholder management is related to stakeholder satisfaction. When stakeholders in an organization are identified properly, when they are managed properly, when they are evaluated properly and proper information is provided to them on proper time it means that stakeholders are managed in a proper way this can lead to increase in stakeholder satisfaction.

According to scholars who have been working on stakeholder management they propose that organizations face challenges that are related to stakeholder management in a project when stakeholders are not properly engaged in the project, project managers who are not clear about the results of stakeholder management have difficulty in identifying stakeholders that are not visible, they are not able to communicate with stakeholders in a better way Pouloudi and Whitley (1997); Loosemore (2006); Bourne and Walker (2006); Rowlinson and Cheung (2008) all this can lead to unsatisfied stakeholders. The previous literature identified that management of stakeholders is very important throughout the project life cycle, because increase in stakeholder management can increase stakeholders' satisfaction. My study is in line with existing literature that stakeholder management is directly proportional to stakeholder satisfaction.

### **5.1.2 What is the Relationship Between Stakeholder Management and Stakeholder's Risk Attitude?**

The second hypothesis of the study stated that "*Stakeholder management is positively related to stakeholder's risk attitude*" is accepted. According to the findings of the study the relationship between these variables is significant and it is also in line with the existing literature. According to Table 11 and Figure 3 given below the result of path "a" that is the effect of independent variable (Stakeholder Management) on mediator (Stakeholder Risk Attitude) is significant. The value of 0.051 suggests that stakeholder management will bring 5.1 unit change in



stakeholder risk attitude. Which means that 1 unit surge in stakeholder management will surge stakeholder risk attitude by 5.1 units. P value of 0.00 suggest that the relationship is significant because it is below 0.01 and there is only 1 % chance of error in data. Along with that, values of LLCI and ULCI (i.e., 0.120 and 0.321) also suggest that the effect is significant because there is no zero between the values and both values are positive.

7 principles for managing stakeholder were developed on the basis of 4 conferences that were held between 1993-1998, Max Clarkson was the one who basically called for these conferences and for honoring Clarkson these 7 principles are named after him. According to (Clarkson, 1993-1998) in his seven principles the second one elaborates that managers should open communicate with stakeholders about their concerns, worries or questions and how they are going to contribute towards the organization or projects and most importantly about the risk they think they are going to face because of their involvement in the organization/project. It is important for organizations to manage stakeholders in such a way that they come to know about their needs, requirements, concerns, contribution and assumed risks.

When organization is aware about this information, they are able to manage their stakeholders in a better way which can help stakeholders in forming positive attitude towards risk. Risk attitude basically mean how an individual look at different uncertainties that can occur in the future. If a person looks at an uncertainty in a negative way it means that he / she is forming a negative risk attitude towards that event and vice versa uncertainties (Lee & Foo, 2020). When organization have knowledge about stakeholders, they are able to manage stakeholders properly which help in forming positive stakeholder risk attitudes.

It is important for organization to engage stakeholders it helps in understanding risks about which stakeholders are worried, stakeholder will start trusting the organization and will consider the organization more credible, stakeholders will feel like organization is taking interest in in their feelings and they would consider that they are important for organization Martin N. Ndlela (2018). Proper stakeholder management can help in developing mutual understanding and both organization

and stakeholders are considered responsible if things go wrong. When stakeholders are managed properly, they're allowed to express their opinion regarding any risk and also the actions organization is going to take for minimizing these risks Martin N. Ndlela (2018).

This can help in forming positive risk attitude Martin N. Ndlela (2018). Which basically means that increased stakeholder management will lead to positive risk attitudes. My study is in line with existing literature and confirms that stakeholder management is positively related to stakeholder's risk attitude.

### **5.1.3 What is the Relationship Between Stakeholder's Risk Attitude and Stakeholder Satisfaction?**

The third hypothesis of my study states that *Stakeholder's risk attitude is positively related to stakeholder satisfaction* is accepted. If we look at Table 11 and Figure 4 the effect of mediator (Stakeholder Risk Attitude) on dependent variable (Stakeholder Satisfaction) is significant. The value of 0.042 suggests that stakeholder risk attitude will bring 4.2 unit change in stakeholder satisfaction. Which means that 1 unit surge in stakeholder risk attitude will surge stakeholder satisfaction by 4.2 units. P value of 0.017 suggest that the relationship is significant because it is below 0.05 and there is only 5 % chance of error in data. Along with that, values of LLCI and ULCI (i.e., 0.019 and 0.185) also suggest that the effect is significant because there is no zero between the values and both values are positive. My study is in line with existing literature which demonstrates that positive stakeholder risk attitudes can increase stakeholder satisfaction.

According to Usmani (2021) risk attitude is not firm; it can change and it depends upon many different factors. Some individuals are afraid of risks, some individuals are impartial to them, and others relish them or take it as an opportunity. Attitude is inherent, occasionally it is intrinsic in people (Usmani, 2021). By knowing or getting information about risk attitude of stakeholders it helps in getting managers (i.e., are performing stakeholder management and risk management) well aware about how much risk stakeholder can afford, how much risk they can tolerate,

and how much risk they consider as non-damaging. Risk attitude is an enterprise environmental factor that changes as the project grows or advances. There is a need for constant communication with stakeholders so that company and their managers are well up-to-date about any changes in risk attitudes of stakeholders (Usmani, 2021). Positive risk attitude can lead toward increase in stakeholder satisfaction this is only possible when managers or organization are aware about what shapes and employees risk attitudes.

Different factors sum up to form employees risk attitude these risk attitudes are either positive or negative. Positive risk attitudes of an employee working in an organization can led to employee's satisfaction in service sector employees Hillson and webster (2005). Similarly, a study was conducted by Toor and Ogunlana (2010) in domain of human resource management and according to the results of their study they proposed that the way an individual perceives risk demonstrates that either the person is satisfied with his/her organization or not. Finding of this study are in line with existing literature and results indicate that positive stakeholder risk attitude can increase stakeholder satisfaction.

#### **5.1.4 What is the Role of Stakeholders' Risk Attitude in Relationship Between Stakeholder Management and Stakeholder Satisfaction?**

Fifth hypothesis of my study states that "*Stakeholders' Risk attitude mediates the relationship between stakeholder management and stakeholder satisfaction*" is supported. The indirect effect of stakeholder management on stakeholder satisfaction through stakeholder risk attitude is significant as the values of BootLLCI and BootULCI (i.e., 0.001 and 0.055) are positive and there is no zero between both values. Furthermore, with presence of mediator stakeholder risk attitude stakeholder management will bring 1.4 units change in stakeholder satisfaction. As both values are positive this means that there is a mediation in the model.

Accordingly, because both values of direct effect and indirect effect are positive this means that with presence of mediator the total effect will increase.

Furthermore, both indirect and direct effect are significant this means there is a partial mediation. In light of findings of data analysis when stakeholders are managed (i.e., identified, engaged, prioritized and informed) properly by an organization (i.e., increase in stakeholder management) it can lead to forming of positive risk attitudes (i.e., stakeholders with consider risk or uncertainties as an opportunity or strength, instead of being scared they will welcome risks because they will consider that risks will help them in learning more.) and these positive risk attitudes will make stakeholder more satisfied (i.e., they will consider the organization performing the project more credible, they will have optimistic feelings about the organization, and they will trust the organization.).

Hillson & Webster (2005) identified that separately risk is considered as an uncertainty that can affect objectives of a project or organization in a optimistic or undesirable way. On the other hand, attitude is the way a person or an individual cognitively view some event. These two when linked together form risk attitudes. According to this explanation risk can be defined as a person's cognitive state with which he views risks that can affect deliverables, results, objective, and goals of an organization or a project. According to existing literature an individual's risk attitudes are formed on the basis of his perception. Perception is considered as one of the most significant factors that helps in forming a stakeholder's risk attitudes.

Authors from various studies like Tversky & Kahneman, (1974); (Kahneman & Tversky, 1979); (Kahneman et al., 1982); (Lopes, 1987); (Slovic, 2000); (Gilovich et al., 2002); (Salovey P. et al., 2004) proposed that forming of both risks and attitudes are dependent on perception of an individual. From existing literature, we come to an understanding that increase in stakeholder management can help stakeholders in making perception about certain risks associated with the project when stakeholders are identified, engaged and informed properly this can help them in perceiving risk as positive that can lead to positive risk attitudes and ultimately towards stakeholder satisfaction. The result of this study is in line with the existing literature and confirms that increase in stakeholder management can lead to positive stakeholder risk attitude which can lead to increase in stakeholder satisfaction.

### 5.1.5 What is the Impact of Organizational Culture Upon the Relationship Between Stakeholder Management and Stakeholder Risk Attitude?

Fifth hypothesis of my study suggests that *“The positive relationship between Stakeholder management and Stakeholders’ Risk Attitude will be stronger when there is a strong organizational culture.”* Is accepted. Table 13 given in chapter 4 illustrates that the role of organizational culture as a moderator is significant. The values of LLCI and ULCI (i.e., 0.047 and 0.257) at Int-term (i.e., Stakeholder management x Organizational culture) are both positive and there is no zero between the two values which means that effect of organizational culture as a moderator between stakeholder management and stakeholder’s risk attitude is significant. Furthermore, the positive value of 0.054 suggests that organization culture as a moderator will bring 5.4 units change. The value of p is 0.005 which mean that chance of error in data is 1 percent and the effect of moderator is significant. Organizational culture is set of norms, beliefs and shared values that are practiced in an organization. According to existing literature organizational culture can be strong or weak DelCampo (2006); C. A. O’reilly and Chatman (1996); Smart et al. (1996); Sørensen (2002), a strong organizational culture can influence a stakeholder in different ways it can help organization in managing their stakeholders in a better way and with that it can also help stakeholders in forming a better perception about the associated risk in the project or organization. Which means that a strong organizational culture can strengthen the relationship between stakeholder management and stakeholder risk attitudes.

Organizational culture is formed by internal stakeholders of the organization, when stakeholders of an organization agree on, sharing and remaining dedicated towards a set of shared standards and procedures, it will make organizational culture more strong (Gordon and DiTomaso, 1992; Kotter and Heskett, 1992; Reilly, 1989). Similarly increased participation of organizational stakeholders in process, norms and standards make culture of organization even stronger. This strong culture is shared by everyone in organization and it makes stakeholders of organization

more committed and loyal towards organization (DelCampo, 2006). (Schein, 1985) demonstrated that culture is important for an organization because it is influential, invisible and an insensible force that can shape the behavior of those who are working or linked to an organization. This culture can help managers of an organization in managing employees, personnel and all others who are linked in a better way and with that it can help in reacting to the business environment (Schein, 1985).

Findings of this research are in accordance with the existing literature. The finding suggest that strong organizational culture can strengthen the relationship between stakeholder management and stakeholder's risk attitude. Furthermore, organization should focus on developing a culture that can help in management of stakeholders and in developing positive risk attitude of stakeholders. Establishing of a strong organizational culture can not only help with increase in stakeholder management but it come with a lot of other benefits as well which are out of domain of this study.

## **5.2 Theoretical Contributions**

This research study contributes towards existing literature by examining the relation between variables of stakeholder management and stakeholder satisfaction. The results of this study identified that managing stakeholders in an organization specifically in project base organization is very important because stakeholders are core individuals in an organization and outside an organization, they can lead towards success or failure of a project which ultimately affect our all productivity and reputation of an organization. According to the findings of this study if stakeholders in a project are identified, engaged and informed in a proper manner this means that they are managed properly this can lead towards making a positive perception of stakeholder that can help in forming positive risk attitudes which leads towards satisfaction of stakeholders. Meaning that according to the finding of this study increase in stakeholder management can increase stakeholder satisfaction, furthermore increase in stakeholder management will help the

stakeholders in making positive attitude towards risk which will increase stakeholder satisfaction.

In light of findings of this study strong organizational culture can strengthen the relationship between stakeholder management and stakeholder's risk attitude. Indicating that if individuals in an organization will work and behave according to the norms, values, principles etc. of the organization it helps in proper management of stakeholders which can lead to positive risk attitudes of stakeholders. My study helps in understanding and explaining a new theoretical framework by examining the relationship between stakeholder management and stakeholder satisfaction, while considering stakeholder's risk attitude as a mediator and organizational culture as a moderator.

The aim of stakeholder theory by (Freeman, 1984) is to explain that the aim of any organization is to produce and deliver value to their stakeholders and this can only be done with the help from organization and help from stakeholders themselves. Accordingly, the findings of my study agree with this statement of Edward Freeman and suggest that indeed a strong organizational culture can help in managing stakeholders in a better way and can help in forming their risk attitudes. According to (Freeman & Velamuri, 2006) creating of values for stakeholders is very significant for any organization to run for a long term and with that organization is also responsible for creating value for their stakeholders. Stakeholders are given importance when they are identified, engaged, prioritized and informed properly which means when they are managed in a proper way, they feel that organization consider them as an important asset.

According to (Amy J. Hillman & Keim, 2001) they suggested that there are three assumption of stakeholder theory that are very important. The first one is that organization or a firm is made of codependent relationships between primary stakeholders. The second assumption is that organization doesn't focus on maximizing the value of shareholders rather they focus on giving values to all their stakeholders. And the final assumption is that organization can never be successful in this aim until the stakeholders are helpful and they contribute fully towards organizations success.

My study contributes to stakeholder theory by developing and testing a new theoretical framework in context of project-based organizations of Pakistan. And according to the findings of my study, this study contributes to literature by agreeing to the statements and findings that were made previously in stakeholder theory by Edward Freeman.

### **5.3 Practical Implications**

For successful completion of projects, it is necessary for organizations to focus on managing project stakeholders. There are several implications which can be suggested from the finding of this study. It is necessary for project-based organizations to focus implementing different strategies for proper management of stakeholders. It is also important for organizations to remember that stakeholder should be managed from starting of the project, meaning that stakeholder management should initiate with initiation stage of the project and should be continued throughout the project life cycle.

According to results of study increase in stakeholder management can increase stakeholder satisfaction, which means that if stakeholders are identified, organized, monitored, prioritized and informed properly it will help in making better relationships with stakeholder of project and organization which will lead organization towards making a positive perception of stakeholder's risk attitude and it will also give stakeholder's of the project or organization a sense of importance by the value they will get from management and they will be more satisfied (i.e., stakeholder satisfaction). It is also important for organizations to remember that stakeholder management is a process by which stakeholders are identified, their needs and expectations along with their concern and contributions are analyzed and then different tools and techniques are used for engaging with stakeholders in a way that they form positive risk attitudes. According to project management institute there are different process involved in management of stakeholders all these processes can lead to proper management of stakeholders, there are different steps involved in this process, these steps can lead to formation of positive attitude of



stakeholder towards organization. And later on, this attitude can help in looking at risk which stakeholders are worried about as an opportunity or a strength.

Along with organizations it is also important for stakeholders to support the process implemented by organization for their benefit, this will help organization in managing stakeholders in a better way which will generate positive outcomes for both organization and stakeholders. Stakeholders are satisfied when they are given value, when they are involved in decision making, when they are given a chance to present their ideas, when they feel that they are heard, when they feel that they are making contribution. According to the findings of my study stakeholder management can lead to stakeholder satisfaction. When stakeholders are managed properly, they feel like they are given value, they feel involved, they feel informed, they feel engaged, and they are given importance which leads to stakeholder satisfaction. It is important for organizations to implement process that can help in managing stakeholders so that stakeholder's positive risk attitude is formed and they are satisfied.

According to findings of study strong organizational culture can strengthen the relationship between stakeholder management and stakeholder's risk attitude. Organizations should focus on forming organizational culture that is focused on values of the founders, on the basis of set standards, on the basis of objectives of organization and expectations of founders and stakeholders. When such organization culture is formed by organizations it can help in making relationship between stakeholder management and stakeholder's risk attitude strong.

## **5.4 Research Limitations**

Every research study has some limitations, accordingly there are some limitations of this research study. First of all, Data for this research study was calculated from Pakistani project-based organizations in domain of project management only, other areas can also be explored for similar research. Also, we only considered stakeholders working internally with organization were considered while conducting the survey, other stakeholders that are external to organization can be

considered. More than four variables can be considered for future research. Secondly, Convenience sampling was used because of time and resource constraints, for future research study other sampling techniques can be used.

Thirdly, Stakeholders inside and organization were busy and because of that reason a lot of people were not interested in giving appropriate information required for the study. With that a lot of employees responded without giving attention to the questions of questionnaire.

Fourthly, We had limited time for collecting data because of which we were not able to collect data from cities other than Rawalpindi and Islamabad. And finally, Because of time constraints we used cross sectional method for collection of data which can also affect results of the study.

## **5.5 Future Directions**

The aim of this research was to examine the association among stakeholder management and stakeholder satisfaction with mediating role of stakeholder's risk attitude and moderating role of organizational culture. Some recommendations for future research are given below:

1. Future research can be conducted by using other variables.
2. Instead of using mediator of risk attitude and moderator of organizational culture, future research study can be conducted by using different mediator and moderator variables.
3. Future studies can be conducted in different domains other than project management because stakeholders are part of every organization working in different industries.
4. Future study can be conducted by changing sample size and by considering a large sample size and a larger population size as well.
5. Future study can be conducted by using more than one moderator.

## 5.6 Conclusion

Stakeholders are the most integral part of any organization or a project, this study was conducted for examining the association between stakeholder management and stakeholder satisfaction, with a mediating role of stakeholder's risk attitude and moderating role of organizational culture. Previously different organizations focused on maximizing the values of shareholders but with the passage of time and after understanding the importance of people who are associated with organizations in any way, a lot of research is now focused on understanding the process used for managing stakeholders so that they can be satisfied and project success can be achieved and organization's goals can be achieved. In this report the first thing which I discussed was the theoretical background. In that section I have discussed how management of stakeholders is important for satisfying them, how it can result in forming of positive stakeholder's risk attitudes and what is the role of organizational culture in the relation between stakeholder management and stakeholder's risk attitude. Similarly, further own in report I have discussed about what is the gap in existing literature and how this study can help in filling that gap. Then a theoretical model with the help of variables of this study is developed and is linked with Edward Freeman's Stakeholder theory. In the next chapter we developed five hypotheses on the basis of existing literature. And these hypotheses are proposed for testing.

In this study we used quantitative research approach and collected data from 435 respondents that were part of Pakistani project-based organizations. I have used reliable instruments for collection of data, and different test of reliability were also conducted so that reliability can be confirmed. After collection of data, data analysis was performed by using model 4 and model 7 of process macro my Andrew Hayes in SPSS. According to the results of data all five hypothesis of my study were accepted. According to the results of my study if stakeholders are identified, organized, monitored, prioritized, engaged and informed in a proper manner this mean that stakeholders are managed in a proper way which can lead to creation of value for stakeholders and hence stakeholders are satisfied, meaning that the

increase in stakeholder management can increase stakeholder satisfaction, with that proper management of stakeholders can lead to positive risk attitudes of stakeholders, meaning that stakeholder management is positively related to stakeholder's risk attitude, similarly these risk attitudes can help in increasing stakeholder satisfaction, which means that stakeholder risk attitude is positively related to stakeholder satisfaction. Similar strong organizational culture will make the relationship between stakeholder management and stakeholder risk attitudes stronger. Later on, these hypotheses were discussed and linked with existing literature. Then theoretical contributions made by this study were demonstrated, some practical implication along with limitation of research and future discussion were discussed. Furthermore, it is concluded that this research study is important for practitioners, scholars, and organizations for enhancing their existing knowledge and for managing stakeholders in a better way so that success can be achieved.

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# Appendix A

## QUESTIONNAIRE

DEPARTMENT OF MANAGEMENT SCIENCES, CAPITAL  
UNIVERSITY OF SCIENCE AND TECHNOLOGY ISLAMABAD

Dear Respondent,

I am a student of MS Project management in Capital University of Science and Technology Islamabad. I am conducting a research study for investigating the relationship between Stakeholder Management and Stakeholder Satisfaction with a mediating role of Stakeholders' Risk Attitude and moderating role of organizational culture. This study will help project based organizations in making effective stakeholder management strategies that will lead towards stakeholder satisfaction, and when stakeholders of organization are satisfied it will ultimately achieve the goal of successful project completion. Please spare some minutes from your valuable time by responding to this questionnaire. Your response to this questionnaire will help me in finding accurate results.

I assure you that your data will remain confidential and it will only be used for academic purpose. It will not be shared with anyone. There is no need to mention your name. Thank you.

Sincerely, **Sania Farooq**



## Section I: (Demographics)

Please encircle the appropriate option.

1. Gender

<b>1</b>	<b>2</b>
Male	Female

2. Education

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
None	School	College	University	MPhil/ PhD

3. Age (years)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
18-24	25- 34	35- 44	45 - 54	55 or More

4. Experience in Projects (years)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1-3	4-7	8-11	12-15	Over 15

5. Role in Project

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Sponsors	Beneficiary	PMO Staff	Project Manager	Project Exe- cution Team

For following set of questions. Please read the statement and tick mark the box of your choice against each statement. To indicate the extent to which you agree or disagree with the statement.

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

## Section II: (Stakeholder Management) )

Serial. No.	Questions	1	2	3	4	5
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Project stakeholders were formally identified.					
2	Stakeholders were classified by their level of influence, power, and interest in the project.					
3	Stakeholders of the project, especially those with high power and influence, had their needs deployed in actions and activities throughout the life of the project.					
4	Stakeholders were mapped by the level of urgency and legitimacy in the project.					
5	The Stakeholders of the project had their objectives open in actions and activities					
6	During the execution of the project, inclusions and/or changes in activities were planned to adapt the identified needs of the Stakeholders.					
7	There has been frequent communication with the main Stakeholders regarding the project.					
8	There were actions to engage Stakeholders throughout the life of the project.					
9	There were actions to strengthen relationships with Stakeholders throughout the life of the project.					
10	I believe that Stakeholders were engaged in the project.					

## Section III: (Risk Attitude)

Sr. No.	Questions	1	2	3	4	5
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I like to experiment with new ways of doing things.					
2	I take chances more than others do.					
3	I like taking big financial risks.					
4	I am willing to take high financial risks in order to realize high average yields.					
5	I adapt to changes in the market.					
6	I generally like to try out new ideas.					

## Section IV: (Stakeholder Satisfaction)

Serial No	Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	I am satisfied with the success I have achieved in projects.					
2	I am satisfied with the progress I have made toward meeting my overall project goals.					
3	I am satisfied with the progress I have made toward meeting my goals for benefits I get.					
4	I am satisfied with the progress I have made toward meeting my goals for advancement in organization.					
5	I am satisfied with the progress I have made toward meeting my goals for the development of new skills.					

### Section V: (Organizational Culture)

Serial No	Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	The organization is employee focused.					[b]
2	The organization supports, empowers and rewards their employees					
3	There were actions to engage stakeholders throughout the life of the project.					
4	The organization practices the motto: "Treat others as I wish to be treated"					
5	The organization has a focus on employee retention					
6	The organization constantly reinforces the company's culture					
7	Training is important within the organization.					
8	The organization treats mistakes as opportunities to learn					
9	An organization where there is an entrepreneurial spirit among the managers					
10	An organization where cultural diversity is a reality					
11	An organization where employees do more than is required of them					
12	An organization where there are many opportunities to relocate					
13	There is an entrepreneurial spirit among managers					