

A Study on Impact of Emotional, Leadership & Managerial Competencies on Project Stakeholder Management

Ms. Khushboo Bhatt ¹, Dr. Reshma Sable ²

¹ *Research Scholar, Faculty of management Studies,
Indukaka Ipcowala Institute of Management,
Charotar University of science and technology (CHARUSAT), Gujarat, India.*

² *Assistant Professor, Indukaka Ipcowala Institute of Management,
Charotar University of science and technology (CHARUSAT), Gujarat, India.
Email: ¹ 21drmba002@charusat.edu.in, ² reshmasable.mba@charusat.ac.in*

Abstract

Project Stakeholders are considered as institutions or group of people who perceive or possibly will impact or may be impacted by the outcome, activity or decision of any project. While the analysis of Stakeholder creates and abridges facts and figures related to people, group, organization or institutions who are related to the upcoming project in one way or other. The goals and objectives of the stakeholders are always depended on the project's scope and type. And the impact of these stakeholders is always recognized by the competent project leader. It is observed that some of the stakeholders can affect the project to a limited extent whereas others may influence the project and its outcome to a larger extent. This study indicates project manager's ability to accurately gauge and manage Stakeholders in such a manner that there is a clear distinction between the success and failure of the project. The management of project stakeholders involves the process of identifying, analyzing expectations, developing the suitable strategies for management and mobility of project by the involvement of stakeholders in major decisions related to the planning and implementation of project. The study highlights the project manager's competencies which are needed to understand the needs of the stakeholder and also showcase the how the emotional intelligence plays a key role while managing the stakeholder of the project.

Key Words — Emotional Intelligence, Project Manager's Competencies, and Project Stakeholder Management

I. INTRODUCTION

An ineffective undertaking brings about misfortunes for the stakeholders of the project. Deplorably, numerous projects neglect to get completed as per the decided plan, financial limits, along these lines guaranteeing the ideal quality and fulfillment of all stakeholders in the development business.

A project is one-time effort to change things in certain way. Whereas management of a project is all about application of tools, techniques, skills and knowledge to the various activities related to the project so as the requirements can be met.

Emotional Intelligence (EI) is considered as one of the key soft skills which is essential for the success of a project. The characteristic of EI is more of an interpersonal in nature in comparison to the technical and hard skills identified by in *A Guide to the Project Management Body of Knowledge (PMBOK)*. Error! Reference source not found.

Stakeholders are generally an Internal and external people, group or an organization who are social and economic partners of the company who are influenced by the company's activity as the firm is responsible to all stakeholders who has some interest and the

company must consider the opinions of the stakeholders. Here the Project Stakeholders are considered as institutions or group of people who perceive or possibly will impact or may be impacted by the outcome, activity or decision of any project.

While the analysis of Stakeholder creates and abridges facts and figures related to people, group, organization or institutions who are related to the upcoming project in one way or other. The goals and objectives of the stakeholders are always depended on the project's scope and type. And the impact of these stakeholders is always recognized by the competent project leader.

The various theories of Project Stakeholder Management indicate that "Every project will have stakeholders who are impacted by or can impact the project in a positive or negative way." "While some stakeholders may have a limited ability to influence the project, others may have significant influence on the project and its expected outcomes." "The ability of the project manager to correctly identify and manage these stakeholders in an appropriate manner can mean the difference between success and failure." Project Stakeholder management involves the process of identifying, analyzing expectations, developing the suitable strategies for management and mobility of project by the involvement of stakeholders in major decisions related to the planning and implementation of project. When it comes to the human aspect of project management, lot of work is done on identification of attributes, skills, technical expertise and qualities necessary to be an effective and impactful project manager.

It is important to reflect on the thought that project manager in a role of leadership should be proactive and not reactive. It is essential that project managers possess leadership abilities and skills to lead and support the workers to achieve the desired project outcome. Project manager as a leader should not only be in position to understand the factors that motivates people and drives them but also know how to facilitate the worker's individual interests while

working on desired goals to achieve goal congruence and individual's satisfaction.

Further, to manage the conflicts, it is required for a Project Manager or leader to be aware of his or her strength and weakness. Managing human behaviour is the most important and challenging role that a project manager has to play. Demonstrating key leadership skills and guiding the team effectively for the successful outcome of project is essential requirement for any project manager. Further, project manager is expected to adopt the transformational leadership style and act as an inspiration to the subordinates and challenge their intellectual capacities at the same time.

In organizational setup, organizational competencies can only be strengthened when the project manager's competencies are improved. Hence identification and nourishment of project manager's competencies becomes extremely important. Identifying the KSAs (knowledge, Skills and Abilities) of project manager is a crucial task, regardless of the size, volume and complexity of the project. This can be facilitated through workers or employees' participation, careful documentation, implementation and development of projects with focus on strengthening critical thinking, reviewing, and communication and leadership skills of manager by ensuring project quality and flexibility.

II. LITERATURE REVIEW

(Daniel Goleman, 1998)^{Error! Reference source not found.} has identified that "*effective leaders are alike in one crucial way: they all have high degrees of emotional intelligence.*" According to Goleman, effective project leaders have the abilities to identify and employ those leadership approaches pertaining to the situations in an organization. In Addition, (Carmeli, 2003)^{Error! Reference source not found.} through his studies identified that senior managers with higher levels of emotional intelligence are better job performers in comparison with their counterparts possessing lower levels of emotional intelligence. Emotional Intelligence is found to be related to Transformational Leadership.

According to (Yaozhong Liu, Yudan Jing, 2015) ^{Error! Reference source not found.}, there are four sub-scales on which Transformational Leadership can be measured, viz. Individualized Consideration, Inspirational Motivation, Idealized Influence and Intellectual Simulation. The study proves a significant positive relationship between leadership effectiveness ensuring higher success rate of project and manager's emotional intelligence competencies contributing in transformational leadership behaviour

(William Leban, 2004) ^{Error! Reference source not found.} *“Transformational project management”*

Results-focused project managers (through inspiring motivation, in other words, emotional intelligence) rather than activity-focused project managers (as in the case of transactional project managers) can achieve this. To support this, (Vanessa Urch Druskat, Gerald Mount, 2006)

^{Error! Reference source not found.} The study looked at the skills that contributed to project managers' success in 74 international petroleum corporations and found that emotional competencies (self-confidence, influence, achievement orientation, teamwork, and coordination) accounted for 69 percent of all skills; business expertise accounted for 31 percent; and cognitive skills, such as conceptual or analytical thinking, accounted for none. In addition, (Baker, 2012) ^{Error! Reference source not found.}

represented various challenges presented to the project leaders while setting and managing stakeholder expectations. In addition, the stakeholder management strategy developed and these methods will result in the creation of an effective communication management strategy, which will be used to keep project stakeholders updated on project status, progress, and projections. And (Vierimaa 2013) ^{Error! Reference source not found.}

The majority of project managers contacted for this thesis believed emotions had a significant role in leadership.

(Pattanaik, A. 2014) ^{Error! Reference source not found.}

The study shows that the The project manager's proactive steps to mitigate risks and foster a culture of effective communication among stakeholders and team members are critical to

project success. A good project leader acknowledges the significant impact that stakeholders can have on the project's progress, both positively and negatively. A thorough stakeholder analysis and a communication strategy will increase the project's chances of meeting deadlines and staying on budget. In future works, the management and communication approaches to be used for each category of stakeholders. (Youssra 2017) ^{Error! Reference source not found.} (Andrew, 2008) ^{Error! Reference source not found.} The researcher has found that Due to the complexity of managing stakeholder engagements, several life sciences businesses are considering new ways, such as collaborating with third parties. It's worth noting, however, that stakeholder engagement necessitates a commitment of both time and resources, as well as the active participation of a company's senior leadership.

III. STUDY RATIONALE

Aim of the study is to provide Project managers or Project Leaders an approach for managing the Stakeholder of the project. The project stakeholder can be the end-to-end users, top managers, board of directors or the bottom-line workers or the people who will have some benefits from the project. To manage such stakeholders, the managers should have certain skills and competencies which can help him/her to serve in a better way. This study will provide those core competencies to help the managers for effective decision making. The current study focuses on the Emotional, Leadership and Managerial aspects of the competency which can affect the manager/leader.

A part from the three major variable, the study also provides the other factors which can affect the project stakeholder management. The study will be helpful in implementing a document named “Project Charter”. It contains all necessary items of the project, including the stakeholders. In addition, the study also aims to provide support to the entrepreneurs who are extensively working in the area of project management. Competencies mentioned in this study will help the entrepreneur for building the

business plan in such a way where the stakeholders' needs can be satisfied.

IV. RESEARCH GAP

The previous studies are limited to the project success rate, while the project leader may identify the perception of the stakeholder towards the different projects. Moreover, there are various competencies which affect the project stakeholder management. These competencies are divided into three major groups i.e., Emotional, Managerial and Leadership Competencies.

Other than that, the stakeholders are the people in general can be of bottom-line workers or can be the top managers or the silent partners or can be the end users. And to manage those stakeholders, the project manager or the project leader should have certain skills and competencies which can help him/her for the process of management of stakeholders.

VII. RESEARCH MODEL

V. OBJECTIVES

- 1) To study the relationship between Emotional competencies, Managerial competencies and Leadership competencies.
- 2) To study the competencies affecting Project Stakeholder Management.

VI. HYPOTHESIS

H₀: There is no significant relationship between Individual's demographic details such as Age, Gender, Work-experience, and Designation and the Emotional competencies, Managerial competencies and Leadership competencies.

H₁: There is a significant relationship between Individual's demographic details such as Age, Gender, Work-experience, and Designation and the Emotional competencies, Managerial competencies and Leadership competencies.

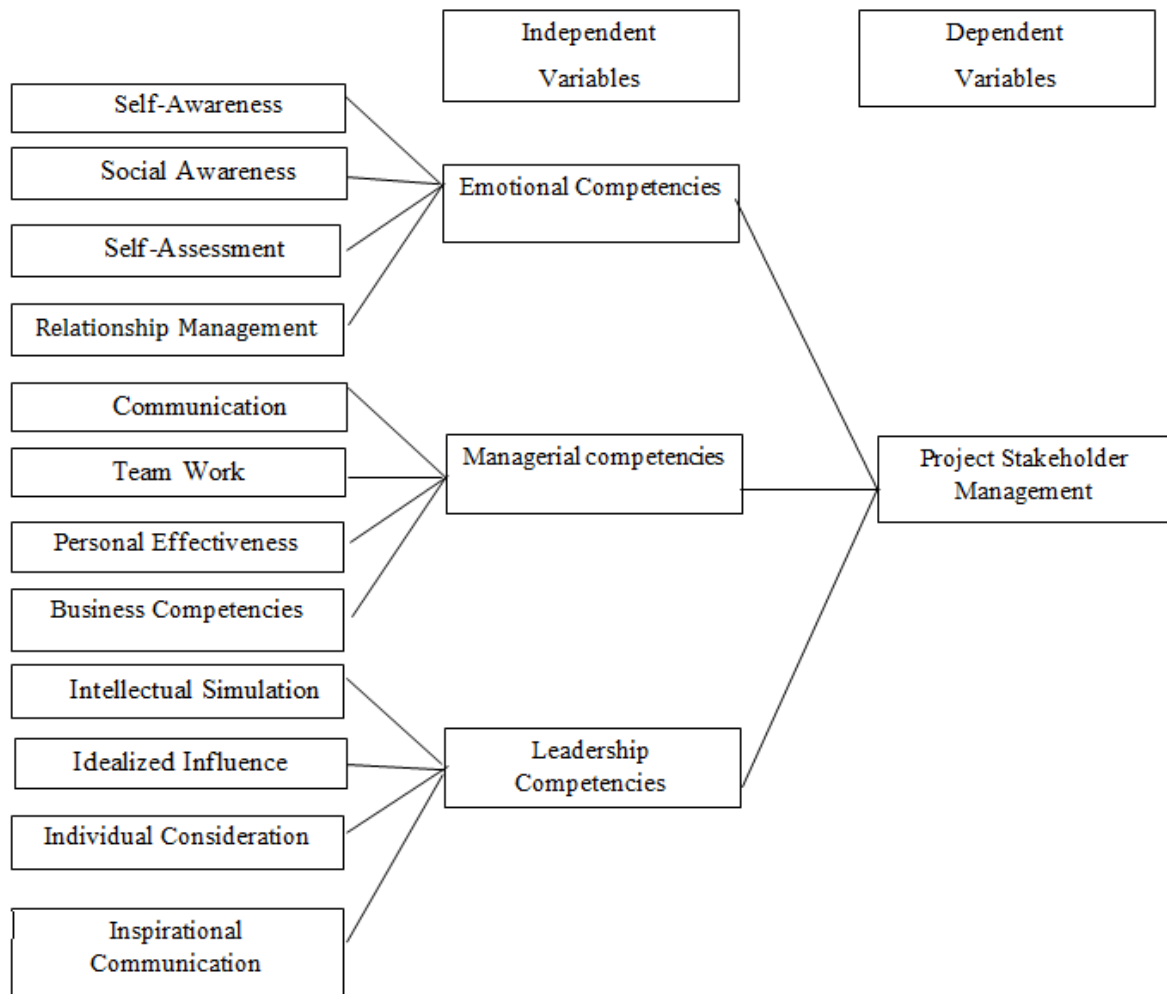


Figure 1: Research Model

Source: Own-Compilation

VIII. RESEARCH METHODOLOGY

In this study, the Project Stakeholder Management is depended on the various Competencies i.e., (1) Emotional Competency, (2) Managerial Competency and (3) Leadership Competency.

The quantitative data have been collected through the survey method and analyzed by using the Inferential Statistics in the SPSS.

a. Type of research

The Primary research have been Carried out to collect the Data for the analysis. The research approach is quantitative in as it ensures the validity and reliability of the sample information considered for this study.

b. Source of Data

In the initial Stage, to provide evidences to the definitions, the existing literature (Books and Articles) Have been used. And the Primary data have been originated by the researcher.

c. Methods of data collection

The main instrument used for the research was Questionnaire. The Quantitative data have been collected through a survey type questionnaire. The researchers formulated the questionnaire based on the objectives and study model.

d. Sampling plan

The population of the study involved Managers having work experience of 0-15 years. The sampling size for this research is 177. Moreover, the simple Random Sampling Method have been used.

IX. DATA ANALYSIS AND RESULTS

The surveyed data have been analyzed using Statistical Package for the Social Science (SPSS).

a. Descriptive Statistics

It is used to describe a sample or help in summarizing data in more meaningful way. It entails the gathering, organizing, summarizing, and presenting of data. It enables you to

identify associations among variables, thus making you ready to do further statistical analysis.

Frequency and Percentage Distribution is calculated for all the variables under demographic profile for the study undertaken and Interpretation of the variables observed are as follow:

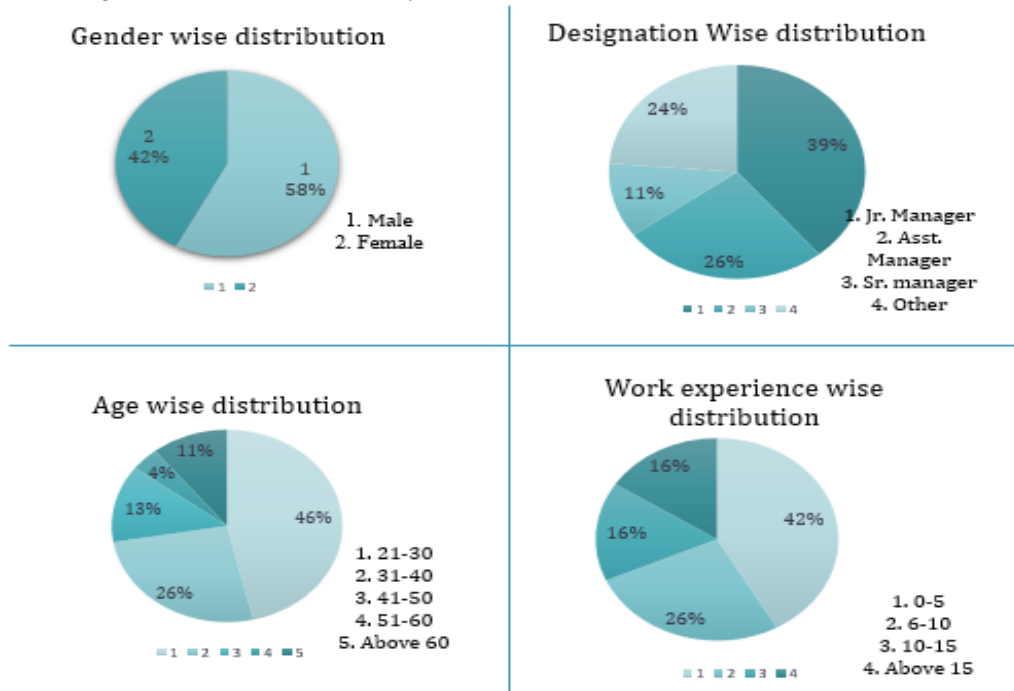


Figure 2: Pie chart of distribution of Demographic Data

Source: Own Compilation

The above-mentioned graphs showcase the descriptive analysis of the demographic details. Here, the 58% of the respondents are male and the remaining are female. In case of Designation, the majority of the population are Jr. Manager and Assistant manager with work experience of 5-10 years at the age of 20 to 40. The Likert scaled data shows the scale of strongly disagree to strongly agree. Approximately 68% of respondents have opted agree and strongly agree option in the questionnaire which indicates that most of the people agree to the given scenario. On the other hand, some of the respondents have been seen to be neutral for the questions like “I can easily say No” and a more importance has been observed for the competencies such as

communication in the field of project management.

b. Inferential Statistics

b1. Chi-square test

Objective

- To study the impact of individual's Age, Gender, Work-experience, Designation on the competencies.

Chi-square analysis was used to identify the relationship between the three competencies.

Hypothesis:

H₀: There is no significant association between Individual's Age, Gender, Work-experience, Designation and the competencies.

H₁: There is a significant association between Individual's Age, Gender, Work-experience, Designation and the competencies

Output:

The significance value of the test is 0.045 which indicates that there is no sufficient evidence to justify which can reject the alternate hypothesis. Hence, we do not accept the Null Hypothesis and it is identified that there is a relationship between the demographic variables i.e., Age/Gender/Designation/Work Experience and the Competencies while considering the Project Stakeholder Management.

In case of Gender there was no sufficient to justify the relationship with the Competencies. Where as in case of Age, Designation & Work experience the difference have been observed.

b2. Factor Analysis

Objective

- To identify the competencies affecting Project Stakeholder Management

Factor Analysis is used to identify the major Factors affecting Employees Turnover. Following steps were taken to conduct the Factor Analysis.

Table 1: Sampling Adequacy

| | |
|--|-------|
| Kaiser-Meyer-Olkin Value | 0.928 |
| Total Variance (7 Factors: Eigenvalue>1) | 62.22 |

Sampling Adequacy:

The Sampling Adequacy have been analyzed by Kaiser-Meyer-Olkin test. The Kaiser-Meyer-

List of newly Identified Factors

Table 2: List of newly identified factors

| Factor Labelling | Variable Details | Loading |
|---|--|---------|
| Factor 1 Team Management Competencies | I adapt honest feedback, vivid opinions, and self-development | 0.632 |
| | I try to model esteem, effectiveness and collaboration among the team members. | 0.578 |
| | My co-workers and I have a good working relationship | 0.595 |
| | At certain Point, a leader should go for the informal approach for the casual communication regarding the project. | 0.54 |
| | I think beyond the self Interest for the good of the stakeholders | 0.581 |

Olkin (KMO) test tells us whether or not enough items are predicted by each factor. Here the value resulted is .928 which is sufficient indicating that the sample is adequate. The Bartlett test of Sphericity indicated the Chi-Square value (8380.814) was significant at 1770 degree of freedom.

Scree Plot:

All 60 items of the research questionnaire were factor analyzed using Principal Component Analysis method followed by Varimax Rotation. The solution resulted in 7 factors with eigenvalues >1. The Total Variance Explained for the seven factors is 62.22%.

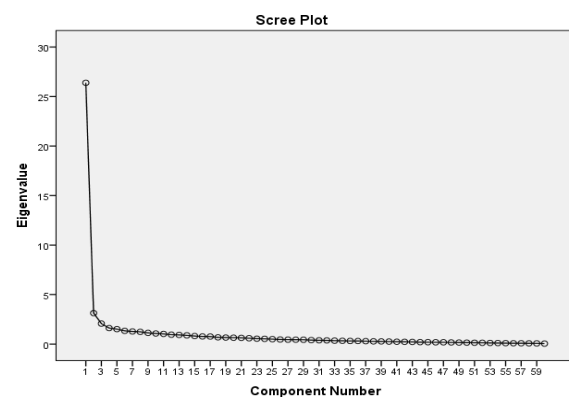


Figure 3: Scree plot (Factor Analysis)
Source: Own Compilation

| | | |
|--|--|-------|
| | I am capable to influence groups and ready to share work leadership. | 0.544 |
| | Open to new ideas and approaches | 0.62 |
| Factor 2 Decision Making Competencies | I am optimistic about the vision and its realisation because I am confident, resolute, and confident. | 0.53 |
| | Ability to communicate with stakeholders | 0.619 |
| | Ability to acquire, apply, and impart information to oneself, colleagues, and others | 0.637 |
| | Importance of Building a team and managing a team | 0.556 |
| | Resolving Conflicts | 0.628 |
| | Complete the project on time | 0.716 |
| | Making Decision | 0.503 |
| Factor 3 Being Proactive | I respect and get along with people of diverse culture | 0.545 |
| | I pay attention to what others are saying, try to understand them, and am open to share information. | 0.6 |
| | I look for ways to collaborate and nurture them. | 0.626 |
| | I cultivate and maintain extensive informal networks | 0.578 |
| | I encourage the stakeholders | 0.602 |
| | I respond the changes proactively. | 0.579 |
| Factor 4 Commitment Competencies | I am aware of the emotions which I feel | 0.558 |
| | I am determined and capable of making appropriate decisions in the face of challenge and stress. | 0.62 |
| | I treat one as an individual rather than just considering them in a group of beneficiaries | 0.532 |
| | I establish the steps which are needed to ensure projects are completed on time | 0.549 |
| | Taking the time to assess the behavioural competencies of other team members in order to better understand them. | 0.701 |
| | Willing to change to meet evolving needs and unexpected demands | 0.599 |
| Factor 5 Conflict Management Competencies | I usually have a good sense of situations, organisational dynamics, and external circumstances. | 0.634 |
| | I can use different leadership styles that are situation specific to achieve high performance of the project. | 0.54 |
| | Ability to communicate through a variety of modes and channels. | 0.514 |
| | Managing Conflicts | 0.628 |
| Factor 6 Problem Solving | I deal with difficult people and tense circumstances. | 0.542 |
| | I see working with difficult people as simply a challenge to win them over | 0.502 |
| | It is difficult to say “No” to a client | 0.761 |
| | I find the root of the problem and provide a unique solution to it | 0.513 |
| | Ability to negotiate | 0.771 |
| | Ability to meet Project Objectives | 0.692 |

| | | |
|---|---|-------|
| Factor 7 Information seeking competencies | I'm curious about new ways to address challenges. | 0.635 |
| | Listening skills | 0.717 |
| | Accepting the organizational culture and dealing the influences to accomplish the goals | 0.628 |
| | Willingness and capability to work in a team in order to achieve common goals | 0.569 |

X. LIMITATIONS OF THE STUDY

The study has analyzed limited number of respondents and have focused all the managers, but to have a better output it is advisable to focus on the particular group of people for instance Project Managers or the Entrepreneurs. And the sample size should be large so that the varied opinions can be collected. Moreover, a case-based analysis can also help to identify the mindset of people.

XI. MANAGERIAL IMPLICATIONS

The study will be helpful in implementing the project charter. A project charter is a document containing all the necessary items of the project, including the stakeholders. In addition, the study also aims to provide support to the entrepreneurs in the field of project management. The competencies mentioned in this study will help the entrepreneur for building the business plan in such a way where the stakeholders' needs can be satisfied.

XII. CONCLUSION

Emotional Intelligence was one of the competencies highlighted in the evaluation of literature as one of the approaches used in creating awareness of the leadership skills and competencies that are important for project management.

The study elaborates that Emotional intelligence, project management competencies, and leadership styles all have direct positive effects on the Dependent Variable.

The Study identified the relationship between the Emotional, Leadership and managerial Competencies and the Project Stakeholder Management. Moreover, the study also

indicates the others competencies which can affect the project stakeholder management.

REFERENCES

1. PMBOK Guide-2013, Project Management Institute (5th Edition, pp.391-417).
2. Goleman D. What makes a leader? Harv Bus Rev. 1998 Nov-Dec;76(6):93-102. PMID: 10187249.
3. Carmeli, A. (2003). The relationship between emotional intelligence and work attitudes, behavior and outcomes: An examination among senior managers. *Journal of Managerial Psychology*, 18(8), 788–813.
4. Liu, Yaozhong & Jing, Yudan & Gao, Mei. (2015). Transformational Leadership: From the Perspective of Neurological Leadership. *Open Journal of Leadership*. 04. 143-152. 10.4236/ojl.2015.44013.
5. Leban, William & Zulauf, Carol. (2004). Linking emotional intelligence abilities and leadership styles. *Leadership & Organization Development Journal*. 25. 554-564. 10.1108/01437730410561440.
6. Mount, G. (2006). The role of emotional intelligence in developing international business capability: EI provides traction. In V. U. Druskat, F. Sala, & G. Mount, Linking emotional intelligence and performance at work (pp. 97–124).
7. Baker, Susan & Marshburn, Dianne & Crickmore, Kim & Rose, Silvia & Dutton, Kathy & Hudson, Patti. (2012). What do you do? Perception of nurse manager responsibilities.. *Nursing management*. 43.

- 10.1097/01.NUMA.0000422890.99334.21.
8. Vierimaa, J.C. (2013). Emotional Intelligence and Project Leadership.
 9. Pattanaik, A. (2014). Complexity of Project Management in the Pharmaceutical Industry. Paper presented at PMI® Global Congress 2014—EMEA, Dubai, United Arab Emirates. Newtown Square, PA: Project Management Institute.
 10. Youssra Riahi, "Project management: techniques and methodologies", *International Journal of Science and Research* (Volume 6 Issue 2, February 2017, pp.465 – 469).
 11. Vivek Narain Mathur, Andrew D.F. Price & Simon Austin (2008) Conceptualizing stakeholder engagement in the context of sustainability and its assessment, *Construction Management and Economics*, 26:6, 601-609, DOI: 10.1080/01446190802061233
 12. "Internal, Connected and External Stakeholders", CIPS Group Easton House, Easton on the Hill, Stamford, Lincolnshire, P9 3NZ, United Kingdom.
 13. "PROJECT STAKEHOLDER MANAGEMENT"- Project Management and Leadership – 2016.
 14. "FROM CLIENT TO PROJECT STAKEHOLDERS: A STAKEHOLDER MAPPING APPROACH ROBERT NEWCOMBE" Department of Construction Management & Engineering the University of Reading, Whiteknights, PO Box 219, Reading, RG6 6AW
 15. The Clarkson Centre, 1999.
 16. Antonakis, J., Ashkanasy, N.M. & Dasborough, M.T. 2009, 'Does leadership need emotional intelligence?', *The Leadership Quarterly* (vol. 20, no. 2 pp. 247-61).
 17. Austin, E.J. 2010, 'Measurement of ability emotional intelligence: Results for two new tests', *British Journal of Psychology* (vol. 101, no. 3, pp. 563-78).
 18. Goleman, D. (2003). What makes a leader? In L. W. Porter, H. L. Angle, & R. W. Allen, *Organizational influence processes* (2nd ed.). New York, NY: M.E. Sharpe.
 19. Othman, A., Abdulah, H., & Ahmad, J. (2009). The influence of work motivation on emotional intelligence and team effectiveness relationship. *Vision: The Journal of Business Perspective*, 13(4).