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# Effect of Stakeholder Involvement on Performance of The Government Projects in Poland

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## Abstract

The performance of the government projects is potent in intensifying the satisfaction of the people. The performance of the government projects is key in enhancing the prosperity of a nation. The study examined the effect of stakeholder involvement on the performance of government projects in Poland. The study adopted the descriptive research design. The descriptive research design includes the type of design in which the information is collected based on the opinion and views of the participants. The target population included 13 government projects. The unit of observation were managers of the projects and also other support staff within the projects. Questionnaires were used as the research instruments. The results of the study indicated that stakeholder involvement is a key segment that influences the performance of the projects. The study concluded that stakeholder involvement is positively and significantly associated with performance. The regression results showed that a positive and significant relationship exists between stakeholder involvement and performance. Stakeholder involvement includes enabling all the stakeholders to be involved in decision-making and the implementation process. Stakeholders' involvement is extremely important in the advancement tasks of the projects. Lack of stakeholder participation will certainly lead to inadequately established techniques or more resistance within. Stakeholder participation enables the decision-making units to have numerous options for policy formulation. The study recommended that stakeholders need to be involved in the implementation process of a project. The stakeholder holders need to be consulted before making any changes to the board of management. The government and other stakeholders should make sure all the stakeholders are involved in the decision-making process of projects. The community members need to be consulted before launching projects in their regions. Priorities vary from one community to another. The selection of the participants in the project implementation should be based on merits such as experiences and education level rather than on nepotism, tribalism among others.

**Keyword:** *Stakeholder involvement, performance, government projects, Poland*

## 1.0 INTRODUCTION

The performance of the government projects is potent in intensifying the satisfaction of the people. The performance of the government projects is key in enhancing the prosperity of a nation (Xue, Zhang, Su, Wu, & Yang, 2018). The key components of the government's projects include those of the infrastructure. The construction of efficient infrastructure is key in promoting the movement of people from one region to another. The success of these projects can be determined by the quality, time is taken to complete the projects and the satisfaction it brings to the people (Furmankiewicz, Janc & Macken-Walsh, 2016). Some of the government projects may not be a priority to the community and thus they became underutilized after their completion. Thus, it is important for public participation before launching any project of the government (Heravi, Coffey & Trigunarsyah, 2015; Kapera, 2018; Keshkamat, Looijen, & Zuidgeest, 2019).

Stakeholders' involvement is extremely important in the advancement tasks of the projects. Even though minor decisions and also emergency circumstances are generally not ideal for stakeholder involvement, it is important to include the aspect of the stakeholders (Keshkamat, Looijen & Zuidgeest, 2016). Stakeholder participation is the procedure through which companies or governments interact and are familiar with their stakeholders. According to Klijn, Eshuis and Braun (2020), the primary purpose of stakeholder participation is to minimize the chances of resistance. Locatelli, Invernizzi and Brookes (2017) noted that

lack of stakeholder participation will certainly lead to inadequately established techniques or more resistance within.

Stakeholder participation enables the decision-making units to have numerous options for policy formulation. It is important to note that high stakeholder involvement enables the organization to have a variety of opinions from the stakeholders. Efficient engagement aids equate stakeholder requires right into organizational objectives and produces the basis of efficient method advancement (Korneć, 2020). Finding the point of agreement or shared motivation helps a team of stakeholders to come to a choice and also ensures an investment in a meaningful result. Stakeholder engagement results in the growth of positive and effective relationships over a long period (Martín, Reinhardt & Gurtner, 2021). The stakeholder engagement results in a connection of mutual benefit and allows people to recognize trends and also emerging obstacles that are presently or will in the future affect the projects.

The stakeholder involvement entails involving the community in determining the priorities that may want the government to do for them (Ulibarri, Scott & Perez-Figueroa, 2019). Project implementation without extensive consultation from the community members can lead to having projects that are unsustainable or are not benefit the majority of the users. The only way to increase the performance of the projects even in the private sector is by increasing the level of stakeholder participation (Mieszkowski & Kardas, 2015). The most effective way of reducing wastage is by enhancing high stakeholder participation. Stakeholder participation increases the chances of identifying the setbacks that may affect the projects during the project implementation (Paloniemi, Apostolopoulou, Cent, Bormpoudakis, Scott, Grodzińska-Jurczak & Pantis, 2015).

However, in Poland, some of the government projects have taken a long time to be completed. For instance, the central communication port project has remained to be ineffective (Keshkamat, Looijen & Zuidgeest, 2019). The port was expected to serve more than 45 million people a year but the dream has not been realized. The completion of the project has not been realized despite taking more time than expected (Klijn, Eshuis & Braun, 2020). Thus, the poor performance of the project may be a result of a lack of stakeholder participation. Therefore,

conducting the study was worthy to examine the impact of stakeholder involvement on the performance of the government projects in Poland. The results of the study were deemed significant for policy formulation that could result in high-performance rates of the projects that are either under the government or private entities.

## **2.0 LITERATURE REVIEW**

A study was conducted by Keshkamat, Looijen and Zuidgeest (2016) to examine how stakeholder involvement influences the performance of the projects. The results of the study showed that one factor that influences the performance of the projects is stakeholder engagement. The importance of stakeholder engagement is that it reduces the chances of resistance within an organization. Enabling high stakeholder engagement allows the stakeholders to express their views toward a particular project. The involvement also reduces conflict since each one in the organization understands his or her responsibilities well. Demirkesen and Ozorhon (2017) conducted a study to examine the impact of integration management on construction project management performance. The study adopted a cross-sectional research design. The main research instruments included questionnaires and interview guides. The results of the exploration indicated that the practices of integration management influence the performance of the construction projects positively. The integration management incorporates emphasizing much on involving everyone in the process of decision making. Furthermore, a study was conducted by Heravi, Coffey and Trigunarsyah (2015) to evaluate the effect of stakeholder involvement on project performance. The results of the study indicated that performance is positively influenced by stakeholder involvement. The stakeholder involvement increases the commitment of the employees which in return results in high organizational performance.

Locatelli, Invernizzi and Brookes (2017) carried out a research study that sought to investigate whether interaction with various stakeholders influences the sustainability of the projects. The findings of the study showed that the interaction of stakeholders is positively and significantly related to the sustainability of projects. Nederhand and Klijn (2019) described four major potential advantages of involving key stakeholders such as employees, customers, as well as proprietors in creating a vision; when staff members are associated with the development as well as the advancement of the firm's vision after that they will certainly support future modifications connected to it. Moreover, the planning procedure in the company is also tremendously improved when employees, customers and also investors are involved; engaging stakeholders boosts healing particularly after a period of financial instability in the organization. This is as a result of the understanding and also rate of interest they have in the organization that enables them to discover different solutions to the problem; when one is associated with method solution then he establishes loyalty to the management as he feels valued in the organization because he contributes ideas; Anybody associated with the visioning will want to put initiative right into its achievement as well as will certainly therefore often tend to support it in all expenses and also by all means.

Stakeholder participation enables the decision-making units to have numerous options for policy formulation. It is important to note that high stakeholder involvement enables the organization to have a variety of opinions from the stakeholders. Efficient engagement aids equate stakeholder requires right into organizational objectives and produces the basis of efficient method advancement (Korneć, 2020). Finding the point of agreement or shared motivation helps a team of stakeholders to come to a choice and also ensures an investment in a meaningful result. Stakeholder engagement results in the growth of positive and effective relationships over a long period (Martín, Reinhardt & Gurtner, 2021).

Bandaragoda (2016) explored the status of institutional changes for incorporated water assets to the board management in Asia. The discoveries of the investigation showed that genuine utilization after the development of the establishments had been postponed because of numerous social, financial and political difficulties. The examination, through an assistant's obligation, suggested that there was a need for a zenith body to mastermind water permitting among the particular water client capacities. There was in like way a recommendation that there was a need for a reasonable water approach and related approval so to improve the collection of water to progressively critical masses in India. A study done by Paloniemi, Apostolopoulou, Cent, Bormpoudakis, Scott, Grodzińska-Jurczak and Pantis (2015) showed that stakeholder participation is key in the performance of the projects. The significance of the stakeholder's participation is that he or she will be cooperative in the future in case the business wants to change the strategy since there was a consensus in the previous strategy employed. Stakeholder participation increases the chances of identifying the setbacks that may affect the projects during the project implementation (Paloniemi, Apostolopoulou, Cent, Bormpoudakis, Scott, Grodzińska-Jurczak & Pantis, 2015).

### 3.0 RESEARCH METHODOLOGY

The study adopted the descriptive research design. The descriptive research design includes the type of design in which the information is collected based on the opinion and views of the participants. The respondents are asked to give their perspectives based on the developed questions. The target population included 13 government projects. The unit of observation were managers of the projects and also other support staff within the projects. Questionnaires were used as the research instruments.

### 4.0 RESEARCH FINDINGS AND DISCUSSION

#### 4.1 Correlation Analysis

The correlation analysis is used to show the association between variables. The variables can associate positively or negatively. *The correlation analysis is presented in Table 1*

**Table 1: Correlation Analysis**

| Variable                |                     | performance |
|-------------------------|---------------------|-------------|
| stakeholder involvement | Pearson Correlation | .0531**     |
|                         | Sig. (2-tailed)     | 0.000       |

The results presented in Table 1 indicated that stakeholder involvement is positively and significantly associated with the performance of the projects. This implied that as stakeholder involvement increases, the level of performance is also expected to increase. The results concur with the findings of Heravi, Coffey and Trigunarsyah (2015) who indicated that performance is positively influenced by stakeholder involvement. The stakeholder involvement increases the commitment of the employees which in return results in high organizational performance. Stakeholders' involvement is extremely important in the advancement tasks of the projects. Even though minor decisions and also emergency circumstances are generally not ideal for stakeholder involvement, it is important to include the aspect of the stakeholders (Keshkamat, Looijen & Zuidgeest, 2016). Stakeholder participation is the procedure through which companies or governments interact and are familiar with their stakeholders. According to Klijn, Eshuis and Braun (2020), the primary purpose of stakeholder participation is to minimize the chances of resistance. Locatelli, Invernizzi and Brookes (2017) noted that lack of stakeholder

participation will certainly lead to inadequately established techniques or more resistance within.

#### 4.2 Regression Analysis

Regression analysis shows the relationship between variables. The components of the regression analysis include the model fitness, analysis of variance and regression of coefficient. The results presented in Table 2 indicate the model fitness

**Table 2: Model Fitness**

| Model | R      | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------|----------|-------------------|----------------------------|
| 1     | .1293a | 0.146    | 0.112             | 0.24678                    |

The results from Table 2 demonstrate that stakeholder involvement is satisfactory in explaining the performance of projects. This was supported by the coefficient of determination of 0.146 (14.6%). This signifies that stakeholder involvement explains 14.6 % of the variations in the performance of the projects. This agrees with Paloniemi, Apostolopoulou, Cent, Bormpoudakis, Scott, Grodzińska-Jurczak and Pantis (2015) who showed that stakeholder participation is key in the performance of the projects. The significance of the stakeholder's participation is that he or she will be cooperative in the future in case the business wants to change the strategy since there was a consensus in the previous strategy employed. Stakeholder participation increases the chances of identifying the setbacks that may affect the projects during the project implementation (Paloniemi, Apostolopoulou, Cent, Bormpoudakis, Scott, Grodzińska-Jurczak & Pantis, 2015).

Table 3 provides the results of the analysis of variance (ANOVA).

**Table 3: Analysis of Variance**

| Model |            | Sum of Squares | df | Mean Square | F      | Sig.  |
|-------|------------|----------------|----|-------------|--------|-------|
| 1     | Regression | 1.964          | 1  | 1.964       | 3.8173 | .000b |
|       | Residual   | 6.174          | 12 | 0.5145      |        |       |
|       | Total      | 8.138          | 13 |             |        |       |

The results presented in Table 3 indicate that the overall model was statistically significant. The results implied that stakeholder involvement is a good predictor in explaining performance. This was supported by the F statistic of 3.8173 and the reported p-value of 0.000, which was less than the conventional probability significance level of 0.05. The results are in agreement with the findings of Nederhand and Klijn (2019) who described four major potential advantages of involving key stakeholders such as employees, customers, as well as proprietors in creating a vision; when staff members are associated with the development as well as the advancement of the firm's vision after that they will certainly support future modifications connected to it. Moreover, the planning procedure in the company is also tremendously improved when employees, customers and also investors are involved; engaging stakeholders boosts healing particularly after a period of financial instability in the organization. Stakeholder participation enables the decision-making units to have numerous options for policy formulation. It is important to note that high stakeholder involvement enables the organization to have a variety of opinions from the stakeholders. Efficient engagement aids equate stakeholder requires right

into organizational objectives and produces the basis of efficient method advancement (Korneć, 2020).

The linear regression coefficient is illustrated in Table 4.

**Table 4: Linear Regression Coefficients**

| Model                   | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|-------------------------|-----------------------------|------------|---------------------------|--------|-------|
|                         | B                           | Std. Error | Beta                      |        |       |
| 1 (Constant)            | 0.9184                      | 0.4100     |                           | 2.071  | 0.003 |
| Stakeholder involvement | 0.0474                      | 0.184      | 0.7585                    | 4.1223 | 0.014 |

Based on the results presented in Table 4, stakeholder involvement is positively and significantly related to performance ( $\beta=0.0474$ ,  $p=0.014$ ). The results of the study were supported by a calculated t-statistic of 4.1223 that is larger than the critical t-statistic of 1.96. The results of the study implied that a unitary increase in stakeholder involvement would lead to improved governance by 0.0474 units, while other factors are held constant. The findings of the study are in agreement with the results of Keshkamat, Looijen and Zuidgeest (2016) who showed that one factor that influences the performance of the projects is stakeholder engagement. The importance of stakeholder engagement is that it reduces the chances of resistance within an organization. Demirkesen and Ozorhon (2017) indicated that the practices of integration management influence the performance of the construction projects positively. The integration management incorporates emphasizing much on involving everyone in the process of decision making. Furthermore, a study conducted by Heravi, Coffey and Trigunarsyah (2015) indicated that performance is positively influenced by stakeholder involvement. The stakeholder involvement increases the commitment of the employees which in return results in high organizational performance. Locatelli, Invernizzi and Brookes (2017) showed that the interaction of stakeholders is positively and significantly related to the sustainability of projects. Stakeholder participation enables the decision-making units to have numerous options for policy formulation. It is important to note that high stakeholder involvement enables the organization to have a variety of opinions from the stakeholders. Efficient engagement aids equate stakeholder requires right into organizational objectives and produces the basis of efficient method advancement (Korneć, 2020).

## 5.0 CONCLUSION

The study concluded that stakeholder involvement is positively and significantly associated with performance. The regression results showed that a positive and significant relationship exists between stakeholder involvement and performance. Stakeholder involvement includes enabling all the stakeholders to be involved in decision-making and the implementation process. Also, the study concludes that stakeholder participation has thorough consultation before making any changes in the board. Also enabling stakeholders to audit the books of account freely is an essential aspect of stakeholder participation. Stakeholders' involvement is extremely important in the advancement tasks of the projects. Lack of stakeholder participation will certainly lead to inadequately established techniques or more resistance within. Stakeholder participation enables the decision-making units to have numerous options for policy formulation. It is important to note that high stakeholder involvement enables the

organization to have a variety of opinions from the stakeholders. Efficient engagement aids equate stakeholder requires right into organizational objectives and produces the basis of efficient method advancement. The stakeholder engagement results in a connection of mutual benefit and allows people to recognize trends and also emerging obstacles that are presently or will in the future affect the projects. The participation of everyone increases the chances of identifying the setbacks that may affect the projects during the project implementation

## **6.0 RECOMMENDATIONS**

The study recommended that stakeholders need to be involved in the implementation process of a project. The stakeholder holders need to be consulted before making any changes to the board of management. The government and other stakeholders should make sure all the stakeholders are involved in the decision-making process of projects. The community members need to be concluded before launching projects in the regions. Priorities vary from one community to another. The significance of the stakeholder's participation is that employees become cooperative in the future in case the business wants to change the strategy since there was a consensus in the previous strategy employed. The involvement of the stakeholders needs to be continuous. The selection of the participants in the project implementation should be based on merits such as experiences and education level rather than on nepotism, tribalism among others.

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