

**THE CHALLENGES OF MANAGING
STAKEHOLDERS IN MULTIPLE TYPES OF
EVENT MANAGEMENT PROJECTS**

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SUPERVISOR'S DECLARATION

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality for the award of the degree of Bachelor of Project Management with Hons.

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STUDENT'S DECLARATION

I hereby declare that the work in this thesis is my own except for quotations and summaries which have been duly acknowledged. The thesis has not been accepted for any degree and is not concurrently submitted for award of other degree.

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ABSTRACT

Good stakeholder management is crucial as stakeholder is one of the critical factors to determine project success. However, there is a rapid development of event management projects in Selangor and caused project manager has to handling multiple types of event management project simultaneously. Hence, challenges of managing stakeholders have occurred when project manager is handling multiple types of event management projects. The purpose of this study is to identify and rank the challenges of managing stakeholders in multiple types of event management projects. There were 32 questionnaires had been collected from event management companies in Selangor. The data was analyzed by using SPSS 20 and mean value was used to rank the challenges. There were 4 major challenges been identified which were inability to identify stakeholder's expectations and needs, poor communication, poor identification of stakeholders and inability to deliver project on time. After analyzed the data, the biggest challenge of managing stakeholders when project manager is handling multiple types of event management project was poor communication.

ABSTRAK

“Stakeholder management” yang efektif adalah penting disebabkan *“stakeholder”* adalah salah satu faktor yang menentukan kejayaan sesebuah projek. Walaubagaimanapun, perkembangan yang pesat terhadap *“event management projects”* di Selangor telah menyebabkan pengurus projek perlu mengendalikan pelbagai jenis *“event management projects”* pada masa yang sama. Oleh itu, cabaran terhadap pengurusan *“stakeholder”* telah wujud apabila pengurus projek perlu mengendalikan pelbagai jenis *“event management projects”*. Tujuan kajian ini adalah untuk mengenalpasti dan menentukan kedudukan cabaran-cabaran pengurusan terhadap *“stakeholders”* di pelbagai jenis *“event management projects”*. Sebanyak 32 soal selidik telah dikumpulkan dari *“event management companies”* di Selangor. Data yang dikumpul telah dianalisis dengan menggunakan SPSS 20 dan nilai purata telah dipilih untuk menentukan kedudukannya. Sebanyak 4 cabaran utama telah dikenalpastikan iaitu ketidakupayaan mengenalpasti jangkaan dan keperluan *“stakeholders”*, komunikasi yang tidak berkesan, kegagalan mengenalpasti *“stakeholders”* dan ketidakupayaan menyiapkan projek dalam masa yang ditetapkan. Selepas menganalisis data, cabaran komunikasi yang tidak berkesan merupakan cabaran yang paling signifikan bagi pengurus projek apabila mengendalikan pelbagai jenis *“event management projects”*.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The aim of this chapter focuses on context and background that frame the study. This chapter will be covered seven sections which are background to the study, problem statement, research objectives, research questions, scope of the study, significance of study and expected outcome. The comprehensive introduction of the study will delivered in this chapter and will be followed by several chapters including literature review; research methodology; result and discussion and conclusion and recommendation.

1.2 BACKGROUND TO THE STUDY

This study is motivated by the rapid development of multiple types of event management projects in the market and causes project manager failed to manage their stakeholders effectively and had minimize the probability of project success. Therefore, the result of challenges of managing stakeholders in multiple types of event management projects can be gained in this research paper.

People always fascinated on the event. The attractive performance, new product, environment and else are the significance elements that alluring people to stay their focus on the event. There are various types of events existing in the market, whether are leisure based, cultural based, personal based or organizational based which able to

attracting people's attention, Shone and Parry (2004). Event management project requires long careful planning for preparation stage in order to ensure the project is running smoothly and minimize the risk while maximize stakeholder's satisfaction.

Malaysia's services sector has contributed to economic growth from 2009 until 2014. In second quarter of 2014, services sector have successfully contributed 6.4% to the Gross Domestic Product (GDP) which had beaten some of the Asean countries such as Singapore (2.1%), United Kingdom (3.1%) and Russian (1.2%). According to Deputy Finance Minister Datuk Ahmad Maslan (2014), stated that services sector is continuing to expand and expected will be more contribute to national economy in the coming year. To further verify that services sector is a potential growth sector, Datuk Noharuddin Nordinthe who as CEO of MIDA has predicted that services sector might contribute 7.2% of Gross Domestic Product in 2015. One of the industries that are under services sector is event management industry. Hence, the contribution of services sector indicates there is high potential of event management projects to embracing Malaysian economic.

There are multiple types of event management projects which capable to enhance economic performance. The occurrence of multiple types of event management projects may drive other industries to become more prosperity and contributes to the economic growth as well. Malaysia Convention and Exhibition Bureau (MyCEB) has formed Malaysia Major Events Unit (MME) which responsible to identify and bid for international event to hosted in Malaysia. Some of the sports events successfully bided by Malaysia Major Events Unit (MME) are Formula 1 and MotoGP. The sports events conducted were successfully attracted local and international spectatorships to participate in 2013. At the end, the sport event management projects have increased the revenue of tourism sector. From the established of Malaysia Major Events Unit (MME), it can be seem that government has strong intention to expand event industry for the purpose of promoting tourism. In other hands, organization also tends to promote their products or services by conducting events, Holley (2001).

As the development of economic, the occurrence of multiple types of event management projects is getting more transparent into the market. The more projects

implemented, the more stakeholders have to be managed. Project manager has to carefully managing stakeholders from multiple types of event management projects in order to avoid any adverse effect. Stakeholder is who has own expectations towards the project, power to make decision and have a stake in the project. Therefore, duty of fulfilling stakeholder's expectation is one of the project manager's tasks. But, there is difficulty for a single project manager to managing all the stakeholders from multiple types of event management projects. At last, the omitting of major stakeholders could happen and will impart huge impact to project performance. Therefore, stakeholder management must be employed well especially for the event management company that handling multiple types of event management projects concurrently.

1.3 PROBLEM STATEMENT

Stakeholder is a person who will incur direct benefit or loss, as a result of a project (Winch, 2002). Therefore, organization has to be well managed their stakeholders in order to prevent any adverse effects. The practices of stakeholder management could increase the probability of project success. In this competitive era, practicing stakeholder management effectively will assist event management company to satisfy stakeholder's expectation and needs in order to compete with competitors from event industry. Therefore, stakeholder management is crucial for a company to survive in this competitive environment.

Each stakeholder have their own perspectives and demands towards project, thus, project manager has to follow up and reports to their stakeholders regularly. However, according to Ireland (1997), reports regularly with all stakeholders are common but once project manager is handling multiple types of event projects on concurrent period, the reporting structure could be inconsistent and cause some of the major stakeholders been omitted to receiving the message. The probability of project failure gets increased if project manager irregularly to deliver message to the major stakeholders. It is because the stakeholder might generate perspective that they are unimportant or unnecessary along the project life cycle. In the end, the event management project gets affected when the stakeholder take a negative action on the project such as the sponsor withdraws the investment on the event management project.