**EXECUTIVE SUMMARY**

The purpose of this report is to identify a project-related operational issue/problem/potential upgrade ideally from a system with which the author is familiar/ identifying a well- documented project management case study. The report as well carry out further research around the key organizational/project issues to notify developing a suitable and sustainable project management strategy, on the basis of the analysis of the case with reference to the useful propositions emerged from the literature review. In this framework, the report is carried out into two sections. In the first section, conceptual framework is developing reviewing the literature precisely relating to project failure from the perspective of stakeholder and the likely strategies for successfully implementing the project. Further in the second section, the case of Posco Steel Plant project is discussed with reference to the propositions emerged from the conceptual framework. However, prior to conducting the conceptual framework and case analysis, firstly the case of Posco Steel Plant project is introduced, with reference to the chronology of the project and the issues relating to the failing of the project whilst completing the first phase of the project.

**CASE INTRODUCTION**

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Source: http://www.posco-india.com/ c.f. Mandal and Venkataramani (2013)

The Posco India Ltd (a subsidiary of Korea based company Posco) started a colossal coal based integrated steel plant project sited in the Jagatsinghpur district of Indian state Odisha (10 km south of Paradeep port). This project comprised constructing a steel plant and a captive port, captive mining facilities for iron ore and coal, additional infrastructure and an integrated township, in addition to an office in Bhubaneshwar (the capital city of Odisha). The planned integrated steel plant project necessitated a total of 4004 acres of land of which 437.6 acres was private land and the left over was government land. Moreover, out of the whole government land, 2958.7 acres were forest land and 607.5 acres non-forest land. The plan of Posco India Ltd project was to start a steel plant subsequent to the signing of a Memorandum of Understanding between Posco (Korea) and the State Government of Odisha in 2005. As per the Memorandum of Understanding, the 12 Million Tonnes per annum integrated steel plant was planned to be achieved in three phases of four Million Tonnes per annum each. The plant project was projected to have an yearly production capability of 12 million tonnes. Furthermore, this project was to consist of iron ore mine development over a period of thirty years at captive mines at Keonjhar and Sundergarh districts in Odisha, and as well general development of the additional infrastructure. The construction of the first phase was projected to be finished by 2010-11. However, due to some issues, the project failed to complete its first phase task by 2010-11. The project was mainly failed due not addressing the related stakeholders Posco India Ltd in the forms of government, environmental related non-governmental organisations and local community. The environment related non-governmental organisations objected the project considering degradation of the coast, which was previously damaged by the ports constructed formerly in the State. On the other hand, the local community in the forms of affected farmers found dispossession of their lands exclusive of due contemplation to their inheritance rights. Prior to analyzing the project failure of Posco India Ltd, a conceptual framework is developed regarding project failure and stakeholder perspective project management.



Source: http://www.posco-india.com/ c.f. Mandal and Venkataramani (2013)

**CONCEPTUAL FRAMEWORK**

A project is a complex, non-routine, just the once effort that are limited up to per year, budget, resources, and drawing of specifications of output in order to satisfy the needs of customers. The management of project is a total of tools, techniques, and knowledge that, when it is applied, helps it achieves the three main restrictions of field, cost and time (Wasileski, 2005). Today, a lot of enterprises focus in the management of project, as she focuses in the achievement of objectives of project. It is important since it applies the managerial process and has his tools that give in the managers a good occasion to achieve in the achievement of objectives. A manager of project can reform all right from a prospect of management of project but the project can still fail depending on his criteria of success it helps it ensures success of project. project managers can use the different techniques and the tools that are useful for managing the projects effective. These include the diagram of activity of networks, the histograms, the approaches and the resource of estimate of expenses of macro and microcomputers drawing the techniques. The use of these techniques and tools could lead to the better probability of success of project. Today, the accent in a incorporated process of management of project is the focus of all effort of project to the strategic drawing of organisation, and it strengthens the control the techniques and the tools of management of project, and the interpersonal dexterities essential they orchestrate the successful completion of project (Wasileski, 2005).

A model of an important process of engagement of stakeholders builds a dynamics of double direction process between the organisation and the stakeholder. Here the communication, the opinions and the proposals flow and in both direction and the organisation it can change her engagement of behavior as consequence. This process is not really linear rather is a repetitive process in which an organisation learns and improves her possibility of executing the important engagement of stakeholders via the growth of relations of reciprocal respect, anti produced on order of consultations (Chinyio and Olomolaiye, 2010). Is developed a preliminary conceptual frame in order to explore the drivers of engagement of company with a not speculative stakeholder and also in order to determine the factors that crash into in the production of innovation via the engagement of stakeholders. The attendance of stakeholders in the construction is an official process of management of relation via which the customers, the contractors and the subcontractors participate with a total initial and secondary stakeholders, trying to align their reciprocal interest to decrease the danger in the projects (Holmes and Moir, 2007). Via the effective management, such attendance creates a positive relation from each other. Certain of the following profits result from the general engagement of stakeholders for the faculty of support: better it occupies the treaty in the market, as stakeholders possesses often a wealth of information promotion of fame relations of construction better to occupy the priorities and the needs of stakeholders confidence of construction and long-term collaborative relations distribution of experience and dexterities and understanding and moderating the threats and the uncertainties (Holmes and Moir, 2007).

For involving successfully these stakeholders in the life cycle of project of construction, the general theory of engagement of stakeholders would propose that it is vital importance are analyzed initially their characteristics, that is to say should they are categorized according to their interest, the force and the attitude toward to project. In other words, those with the high interest, the high force and a positive placement are those with the high interest, the high force and a negative placement are most dangerous in the achievement of objectives of project, and the two teams are said in order to have the high projection (Bourne and Walker, 2006; Chinyio and Olomolaiye, 2010). The analysis of stakeholders is a practice that can be used in order to determine and evaluate the projection of basic persons, teams of persons, or bodies that can considerably influence the success of activity or project. Determining the stakeholders with regard to their interest, the force and the placement help they bring the more obvious stakeholders in the process of decision-making. Those with the high projection will have interesting and the power in order to deliver relative with the faculty of support output and the force it has an interest for and knowledge different relative with the faculty of support of questions and solutions also. Those with a high projection but a negative placement it can be supposed they are presented with some way via the energies that lead to a change to the attitude from negative toward to positive (Bourne and Walker, 2006; Chinyio and Olomolaiye, 2010).

The managerial and organisational structures of most companies are mainly structured to the activities of exploitation as the cleaning of products and processes. Since these structures do not support sufficiently the requirements for the new operational occasions while innovations use also existence of force technological and knowledge of market. If the enterprises allocate the precious time and the resources in the growth of new products, and the placement of these in the new markets, she has meaning that the enterprises should also be developed and introduced in these new markets. The objective should be are found the better ways places, market, to be sold and is distributed that product. The growth of market is equally critical for the success as growth of product (Volberda et al, 2010). When the managers of operational units focus only in the short-term objectives, the called basic indicators of output, then are not willing they invest in the drawings of innovation that they can also achieve but at the duration of longer time period from the existing profit-prompt structures they allow. In order to encourage this innovation from through, and in order to increase the proportion of successful projects, the organisations should invest in the suitable structured motives that examine the longest-lasting opinion. With the recently strengthened approach in the place, enterprises successfully increase innovative new work of operational growth.

Gupta, Pal and Mittal (2013) establish that the companies are found implementing a few medium and long run projects, and there are found thousands of disadvantaged poor populace of the society benefiting from corporate social responsibility projects of the central public sector enterprises. The findings of the study make apparent that undoubtedly central public sector enterprises have capable manpower, high-quality management competence and lot of funds under corporate social responsibility projects. Through utilizing these resources Indian central public sector enterprises are competent to resolve community social problems together with improving social face of enterprises. At the same time as it is made known that even though nearly all of the Indian central public sector enterprises has had started implementing social projects under corporate social responsibility scheme, yet a few of them are not utilising corporate social responsibility fund due to the fact that they have no know-how in social field. Even some enterprises are found making excuses that corporate governance or corporate social responsibility is not their core activities. Furthermore, Chatterjee and Roychowdhury (2012) establish that enterprises need to involve their stakeholders for building up meaningful and long-standing partnerships which would show the way to forming a well-built image and brand identity. The implication of the study findings for the public sector enterprises in India is to review existing policies for building up more significant visions for the enterprises and broaden their contributions to get to local communities.

**CASE ANALYSIS**

The construction project of Posco India Ltd in the first phase was projected to be finished by 2010-11. However, due to some issues, the project failed to complete its first phase task by 2010-11. The project was mainly failed due not addressing the related stakeholders Posco India Ltd in the forms of government, environmental related non-governmental organisations and local community. The environment related non-governmental organisations objected the project considering degradation of the coast, which was previously damaged by the ports constructed formerly in the State. On the other hand, the local community in the forms of affected farmers found dispossession of their lands exclusive of due contemplation to their inheritance rights.

A project is a multifaceted, non-routine attempt restricted by time, budget, resources, and performance specifications planned to meet up requirements internal stakeholders and addressing the concerns of external stakeholders. Therefore establishing and successfully managing a project requires not only deploying tools, techniques, and resources, but as well addressing the concerns raised by the stakeholders that may well help out a company to accomplish the project overcoming the much talked constraints of scope, cost and time (Wasileski, 2005). In recent times, there has had emerged the trend of companies project management tool to successfully complete the big projects such as construction project in establishing plants by companies. In this context, it is imperative as it applies managerial process and management that bestow management in the company to have a good opportunity to make achieving goals of project. However, the management in the project necessitate to reform everything right from a project management viewpoint however the project might yet fail depending on its success criteria to help out to guarantee project success, particularly in the context of stakeholder perspective of project management (Gray and Larson, 2008).

Firstly the project of Posco India Ltd was objected by the governmental agencies because the project was found not complying with the rules of Forest Rights Act, 2006. This act gives the recognition of the rights of scheduled tribes and further forest dwellers on the land, which was allocated to the company for the objective of constructing the Posco port and in this way project of Posco’s steel plant was disputed. The 2958.7 acres of forest land that the Posco India Ltd was given by the government was found coming under the purview of the Forest Rights Act, 2006, which would give permission the communities residing in the villages rights to utilize this land for their farming. The non-governmental organisations working for environment and community developed objected this project, and the project was closed down at the time.

On the other hand, the planned steel project Posco India Ltd in Odisha comprised the construction of an integrated steel plant and a captive minor port and as a result the environmental effect of the project would be cumulative of both the port and the plant. All along with having an environmental effect, this project would have a substantial impact on the livelihoods of the local communities. The Centre for Science and Environment, at the request of the National Centre for Advocacy Studies, a non-governmental organisation standing for Posco Pratirodh Sangram Samiti, which is a mass human rights movement against Posco project effects, geared up a marine environmental effect evaluation of the Posco project. Centre for Science and Environment stated the subsequent likely effects of the project on the local environment. Centre for Science and Environment found faults in the project’s proceedings and as a result the disputed project stopped right away.

In addition, the planned port by Posco India Ltd for the steel plant was found resulting in sizeable loss of income for the communities who earn their living from beetel vineyards. In fact, beetel farming is the main source of living for the farmers in the locality where the steel plant project was to be established. Due to the project there was assessed loosing income because of the port construction and the viability of a likely move of beetel farming was found not giving due value by the supporter. Moreover, fishing is an ancestral livelihood for the local communities in the locality where the steel project was to be established, and a sort of recompense for the loss of income for the affected community or fishermen were not found giving due value. As a result, the planned steel plant project of Posco India Ltd was stopped immediately, and it was a real case of overlooking stakeholders. Bourne and Walker (2006) and Chinyio and Olomolaiye (2010) argue that stakeholder analysis is a strategic system that is utilized to recognize and evaluate the salience of key people, groups of people, or institutions that might considerably control the success of the proceeding of project. In this framework, further put that recognizing stakeholders comparative to their interest, power and attitude assists to take the most significant stakeholders into the procedure of decision-making. For successfully involve the identified these stakeholders, as internal and external stakeholders, in the construction project life cycle, common stakeholder engagement theory recommend that it is very important to originally analyze their uniqueness, that is, they require to be classified in accordance with their level of concerns in the forms of interest, power and attitude towards the project. However, as has been discussed Posco India Ltd failed to address the concerns of its identified internal and external stakeholders in the forms of government agencies, non-governmental organisations and local community in Odisha in the forms of farmers and fishermen. This resulted in stopping of the project of setting up steel plant and port and in this way the project was failed to complete its first phase task by 2010-11, but the project was pushed in uncertain future. Hence, Posco India Ltd need to involve their stakeholders for building up meaningful and long-standing partnerships which would show the way to forming a well-built image and brand identity. The company needs to review existing policies for building up more significant visions for the projects and broaden its perspective of handling the concerns of stakeholders in the forms of government agencies, non-governmental organisations and local community where the steel plant project is to be set up.

**CONCLUSION**

The project of Posco India Ltd was objected by the governmental agencies because the project was found not complying with the rules of Forest Rights Act, 2006. Forest land that the Posco India Ltd was given by the government was found coming under the purview of the Forest Rights Act, 2006, which would give permission the communities residing in the villages rights to utilize this land for their farming. The non-governmental organisations working for environment and community developed objected this project, and the project was closed down at the time. On the other hand, the planned steel project Posco India Ltd in Odisha comprised the construction of an integrated steel plant and a captive minor port and as a result the environmental effect of the project would be cumulative of both the port and the plant. Centre for Science and Environment stated the subsequent likely effects of the project on the local environment. Centre for Science and Environment found faults in the project’s proceedings and as a result the disputed project stopped right away. In addition, the planned port by Posco India Ltd for the steel plant was found resulting in sizeable loss of income for the communities who earn their living from beetel vineyards. In fact, beetel farming is the main source of living for the farmers in the locality where the steel plant project was to be established. The planned steel plant project of Posco India Ltd was stopped immediately, and it was a real case of overlooking stakeholders. Common stakeholder engagement theory recommend that it is very important to originally analyze their uniqueness, that is, they require to be classified in accordance with their level of concerns in the forms of interest, power and attitude towards the project. However, as has been discussed Posco India Ltd failed to address the concerns of its identified internal and external stakeholders in the forms of government agencies, non-governmental organisations and local community in Odisha in the forms of farmers and fishermen. Posco India Ltd needs to involve their stakeholders for building up meaningful and long-standing partnerships which would show the way to forming a well-built image and brand identity.

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