PROJECT STAKEHOLDER MANAGEMENT

Project Management and Leadership – 2016
STAKEHOLDER

Any group or individual who can affect or is affected by the achievement of the organization objectives.

(FREEMAN 1984, p.46 in FRIEDMAN & MILES 2006, p.4)

An individual, group, or organization who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project.

(PMBOK 2013, p.563)
STAKEHOLDER MANAGEMENT PROCESSES

IDENTIFY STAKEHOLDERS
Identify the stakeholders, analyze and document information regarding their interests, involvement, interdependencies, influence, and potential impact on project success.

PLAN STAKEHOLDER MANAGEMENT
Develop management strategies to effectively engage stakeholders throughout the PLC, based on the analysis.

MANAGE STAKEHOLDER ENGAGEMENT
Communicate and work with stakeholders to meet their needs and expectations, address issues as they occur, and foster appropriate engagement in project activities.

CONTROL STAKEHOLDER ENGAGEMENT
Monitor overall project stakeholder relationships and adjust strategies and plans for engaging stakeholders.

(mod. PMBOK 2013, p.391)
THE POWER-INTEREST GRID

THE KEY STAKEHOLDERS:
Manage actively
Keep informed of each step in the project
Take their views into account

LEVEL OF POWER

LEVEL OF INTEREST IN THE PROJECT

Keep these satisfied

HIGH POWER
HIGH INTEREST

Keep informed
Keep on your side
Parameters to ‘throw into the mix’

<table>
<thead>
<tr>
<th>Level of...</th>
<th>Description</th>
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<tbody>
<tr>
<td>POWER</td>
<td>The level of a stakeholder’s authority</td>
</tr>
<tr>
<td>INTEREST</td>
<td>The level of concern regarding the project outcomes</td>
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<tr>
<td>INFLUENCE</td>
<td>The level of active involvement in the project</td>
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<td>IMPACT</td>
<td>The ability to effect changes to planning or execution</td>
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<td>PROJECT KNOWLEDGE</td>
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(mod. ROEDER 2013, p.24-25)
SALIENCE MODEL

The model by Mitchell et al. (1997) that suggests to prioritize stakeholder claims based on cumulative number of the stakeholder’s attributes—power, legitimacy and urgency.

SALIENCE. The degree to which managers give priority to the competing stakeholder claims. (mod. MITCHELL et al. Acad. Manag. Rev. 1997;22(4):869)
POWER. A relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not have otherwise done.

LEGITIMACY. A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, definitions.

URGENCY. The degree to which stakeholder claims call for immediate attention

DEFINITIVE STAKEHOLDER

LATENT STAKEHOLDERS
- DORMANT
- DISCRETIONARY
- DEMANDING

POWER

LEGITIMACY

URGENCY

DOMINANT

DANGEROUS

DEPENDENT

EXPECTANT STAKEHOLDERS

NON-STAKEHOLDERS

STAKEHOLDER REGISTER

A project document including the identification, assessment, and classification of project stakeholders.

(PMBOK 2013, p.563)

Can contain:

IDENTIFICATION INFORMATION: name, organizational position, location, role in the project, contact information;
ASSESSMENT INFORMATION: major requirements, main expectations, potential influence in the project, phase in the life cycle with the most interest;
STAKEHOLDER CLASSIFICATION: internal/external, supporter/neutral/resistor.

(PMBOK 2013, p.398)
An example of THE STAKEHOLDER REGISTER

<table>
<thead>
<tr>
<th>Stakeholder Name</th>
<th>Title</th>
<th>Location</th>
<th>Business Address</th>
<th>Phone # (primary)</th>
<th>Phone # (secondary)</th>
<th>E-Mail Address</th>
<th>Contact Information</th>
<th>Category</th>
<th>Project Role</th>
<th>Status</th>
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(ROEDER 2013, p.42)
STAKEHOLDER MANAGEMENT PLAN

INCLUDES
Desired and current engagement levels of key stakeholders;
Scope and impact of change to stakeholders;
Identified interrelationships and potential overlap between them;
Stakeholder communication requirements for the current phase;
Info to be distributed to stakeholders (including language, format, content, and level of detail; reason for the distribution of the info);
Time frame and frequency for the distribution;
Method for updating and refining the plan as the project progresses.

(PMBOK 2013, p.403)
## STAKEHOLDER ENGAGEMENT MATRIX

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>RESISTANT</th>
<th>UNAWARE</th>
<th>NEUTRAL</th>
<th>SUPPORTIVE</th>
<th>LEADING</th>
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<tr>
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<td>C</td>
<td>D</td>
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</table>

**C** – Current engagement  
**D** – Desired engagement
STAKEHOLDER GROUPS

PROJECT TEAM MEMBERS
EXECUTIVE STAKEHOLDERS
OTHER STAKEHOLDERS
  EXTERNAL
  SUBJECT TO CHANGE
  PHANTOM

(ROEDER 2013, pp.51-101)
THE CLARKSON 7 PRINCIPLES OF SM

1. Acknowledge and monitor all the concerns
2. Listen and correspond to all the apprehensions
3. Adopt relevant practices and modes of behavior
4. Treat the stakeholders fairly
5. Collaborate with the public and private entities
6. Avoid any activities that might endanger human rights
7. Take notice of the potential conflicts that may possibly occur
PRINCIPLES OF EFFECTIVE TEAMWORK

1. FEEDBACK to and from one another
2. WILLINGNESS TO BACK fellow members UP
3. FEELING AS A GROUP whose success depends on interaction
4. FOSTERING within-team INTERDEPENDENCE
5. TEAM LEADERSHIP affects performance of the team.

(MCINTYRE & SALAS 1995 in MUCHINSKY 2006, p.291)
TIPS FOR MANAGING

Be concise
Understand the endgame and the executive’s key drivers
Convert project language into executive language
Proactively identify problems
Communicate, communicate, communicate
PROCUREMENT MANAGEMENT PROCESSES

PLAN PROCUREMENT MANAGEMENT
document project procurement decisions, specify the approach, identify potential sellers.

CONDUCT PROCUREMENTS
obtain seller responses, select a seller, and award a contract.

CONTROL PROCUREMENTS
manage procurement relationships, monitor contract performance, make changes and corrections as appropriate.

CLOSE PROCUREMENTS
complete each project procurement.

(mod. PMBOK 2013, p.355)
CATEGORIES OF CONTRACTS

FIXED-PRICE set a fixed total price for a defined product, service, or result to be provided

COST-REIMBURSABLE pay (cost reimbursements) to the seller for all legitimate actual costs incurred for completed work, plus a fee representing seller profit

TIME AND MATERIAL pay for the time spent and materials used

(mod. PMBOK 2013, pp.362-364)
TIPS FOR MANAGING

Explain why the project is important
Create a FAQ document
Be authentic
Solicit feedback
A LADDER OF CITIZEN PARTICIPATION

CITIZEN CONTROL
DELEGATED POWER
PARTNERSHIP
PLACATION
CONSULTATION
INFORMING
THERAPY
MANIPULATION

CITIZEN POWER
TOKENISM
NONPARTICIPATION

(mod. ARNSTEIN 1969, p.217)
PHANTOM STAKEHOLDERS

People who are subject to, part of, or impacted by the project, yet have not formally been identified by the project manager or project team as stakeholders.

(ROEDER 2013, p.97)
IDENTIFYING PHANTOM STAKEHOLDERS

Look for
the root causes of surprises
changes in the project plan from unexpected sources
discrepancies between expected and actual project execution
HIGHLIGHTS:

1. SALIENCE MODEL
2. SEM & SMP
3. CONTRACTS