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Too little, too late, or too much, too early
Prof Darren Dalcher
Series Article

Advances in Project Management Series[1]

Too little, too late, or, too much, too early: Are we paying enough attention to stakeholders?

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Introduction to the May 2014 Advances in PM Series Article

The Sixth edition of the APM Body of Knowledge dedicates a section to stakeholder management, which it defines as the "*systematic identification, analysis, planning and implementation of actions designed to engage with stakeholders*".

Stakeholders are individuals, or groups, with an interest in the project endeavour resulting from a direct involvement in the work itself, the regular operation following the project, or the impact of the proposed outcomes. Stakeholders represent a variety of, often competing, interests, needs, requirements and expectations.

Over the years, many surveys have indicated that engaging with stakeholders is crucial to project success, and failure to communicate with such groups is often recognised as a cause of project failure. Indeed the APM Body of Knowledge recognises that individuals and groups can have significant influences over the eventual success or failure of the work. It therefore explains that: "*stakeholder management is a set of techniques that harnesses the positive influences and minimises the effect of the negative influences*".

A key role

Stakeholder management is a well-recognised part of training and development for project managers. The importance of stakeholder management is underscored by the emergence of a new knowledge area, in the PMI's Guide to the Project Management Body of Knowledge, Fifth edition, focused on project stakeholder management. This tenth knowledge area draws primarily on content and processes that previously resided in the communications management knowledge area, yet serves to reinforce the growing perception and need related to the role of managing stakeholders and their expectations.

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[1]*The Advances in Project Management series includes articles by authors of program and project management books published by Gower in the UK. Each month an introduction to the currently monthly article is provided by series editor **Prof Darren Dalcher**, who is also the editor of the Gower Advances in Project Management series of books on new and emerging concepts in PM. For more on Gower project management, visit http://www.gowerpublishing.com/default.aspx?page=2063.*

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New literature in the area of project governance makes a similar case for a shift in focus. Traditional governance models and theories traditionally emphasise shareholder value and importance. The underlying assumption in the traditional models is that since the main purpose of the organisation is to maximise shareholder value, or return-on-investment, management models and actions endeavour to preserve the interests of shareholders. Portfolio management utilises similar concerns in identifying and selecting a portfolio of project activities that would deliver maximum value to the organisation, and thereby, indirectly to shareholders.

In recent years, the fixation with financial results has been challenged by a growing interest in balancing additional concerns related to the social, ethical and environmental responsibility of organisations. New models increasingly value individual and group concerns. Indeed, a firm can easily be described as a system, or even a network, of interacting stakeholders. The wider scope implies that the interest of the firm extends beyond financial returns, to encompass the full range of considerations of the community of stakeholders and the value, or values, that they seek. The development of organisations, including temporary ones, should therefore be informed by the necessity to balance the needs and interests of a diverse community of stakeholders, competing interests, and conflicting preferences.

From stakeholder management to stakeholder engagement

The widening of interest from shareholders to stakeholders communities represents a growing recognition that projects are done by people, for people, and that their execution involves people harbouring a complex mix of concerns, preferences and issues. Yet, both bodies of knowledge assume that stakeholders can be managed. Commonly, management is often associated with efficiency, planning and control. Dealing with stakeholders and their concerns cannot be classed as a management activity in the classical sense.

Stakeholders come armed with concerns, values, needs and preferences that need to be accommodated. They are increasingly central to the widening scope of firms and organisations and to a deeper engagement with a growing agenda of concerns and priorities that extend beyond financial measures. Far from being the subject of control through pre-defined processes and procedures, dealing with stakeholders requires tact, patience, listening, deliberation, negotiation, tradeoffs and sensemaking skills. In other words, dealing with stakeholders is defined by, and facilitated through, communication skills.

Given the values they represent and their potential influence on the success of projects and change efforts, there is a need to upgrade the conversation and discuss the engagement with stakeholders. Project managers do NOT manage stakeholder groups, they engage with their needs, expectations and concerns in order to maximise the chances of successfully executing and completing projects. Moreover, as stakeholders often engage with the outcomes of projects, they are crucial to the acceptance of change and to the use of the artefacts delivered through projects.

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Where next?

The techniques that underpin stakeholder engagement have been in use for some time. The different bodies of knowledge appear to conquer about the activities and the specific techniques, yet projects continue to fail, often citing stakeholder disenchantment, lack of interest, irrelevance of delivered artefacts, or some other form of disappointment. Changing the name of the activity from stakeholder management to stakeholder engagement is not sufficient to transform and improve current capability, and a better-informed set of approaches and philosophies are badly needed to underpin such crucial activity.

This month's article by Lou Horton and Ann Pilkington encourages readers to start the process of rethinking stakeholder engagement. Ann Pilkington is the author of a recent book, *Communicating Projects: An End-to-End Guide to Planning, Implementing and Evaluating Effective Communication*, published by Gower which offers an excellent starting point for the kind of thinking advocated in the article. The piece does a good job of deconstructing the current power/interest approach to stakeholder engagement, which the authors contend underpins most thinking in the area. Lou and Ann highlight the key deficiencies embedded through the model. They argue for a need to rethink and reposition stakeholder engagement offering a richer definition of stakeholder groups and their relative role.

Rather than following the common trends of marketing and selling the project' benefits they encourage a more dynamic approach based on identifying the role of stakeholders and tailoring the engagement to the relevant stage of the project. Too much engagement takes place at the front end of projects, potentially leading to loss of interest by the time the relevant part is pertinent. Stakeholders can suffer from a fatigue associated with pre-mature selling of project benefits, and may lose interest, confidence in the system, or trust in the project by the time the relevant aspects come online, or become available.

Rethinking stakeholder theory in projects

The authors make an important contribution to project management practice and thinking by encouraging a more responsible and timely approach. They encourage additional sensitivity to the role of stakeholder, a deeper understanding of the stages of the project, and a better-informed approach to planning the engagement to occur at the right time. These are all highly beneficial and draw on good communication principles that can lead to better informed stakeholders, and clearer plans for engagement which can only improve the project and how it is received and accepted.

It is often said that polite conversation is neither polite, nor a conversation. The contribution of Horton and Pilkington is in encouraging project managers to become more polite and understanding, and in proposing a more conversationalist approach to identifying, dealing with and informing stakeholders. Communication is a key to dealing with interests and people, and can therefore provide the means necessary for nudging stakeholder engagement towards a more informed plateau, where it becomes a practised art.

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Ultimately, it is not about too much, or too little stakeholder engagement, but about knowing, and communicating, what needs to be done and when. It is not the quantity of effort that counts, but the direction and informed application. Winston Churchill quipped that "courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen". Truly engaging in order to improve our ability to deliver change that lasts will require us to begin by learning to pay attention, listen and understand our stakeholders in new and improved ways.

Editor's note: Darren Dalcher is the editor of the series of books on Advances in Project Management published by Gower in the UK. Information about the Gower series can be found at http://www.gowerpublishing.com/advancesinprojectmanagement. The above article is an introduction to the invited paper this month by Gower author Ann Pilkington. You can find previously published articles by Prof Dalcher and Gower authors at www.pmworldlibrary.net.

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Darren Dalcher, Ph.D. HonFAPM, FRSA, FBCS, CITP, FCMI is Professor of Project Management at the University of Hertfordshire, and founder and Director of the National Centre for Project Management (NCPM) in the UK. He has been named by the Association for Project Management (APM) as one of the top 10 "movers and shapers" in project management in 2008 and was voted Project Magazine's "Academic of the Year" for his contribution in "integrating and weaving academic work with practice". Following industrial and consultancy experience in managing IT projects, Professor Dalcher gained his PhD in Software Engineering from King's College, University of London. Professor Dalcher has written over 150 papers and book chapters on project management and software engineering. He is Editor-in-Chief of *Software Process Improvement and Practice,* an international journal focusing on capability, maturity, growth and improvement. He is the editor of the book series, *Advances in Project Management*, published by Gower Publishing of a new companion series *Fundamentals of Project Management*.

Heavily involved in a variety of research projects and subjects, Professor Dalcher has built a reputation as leader and innovator in the areas of practice-based education and reflection in project management. He works with many major industrial and commercial organisations and government bodies in the UK and beyond. He is an Honorary Fellow of the APM, a Chartered Fellow of the British Computer Society, a Fellow of the Chartered Management Institute, and the Royal Society of Arts, and a Member of the Project Management Institute (PMI), the Academy of Management, the Institute for Electrical and Electronics Engineers, and the Association for Computing Machinery. He is a Chartered IT Practitioner. He is a Member of the PMI Advisory Board responsible for the prestigious David I. Cleland project management award and of the APM Professional Development Board. Prof Dalcher is an editorial advisor for the *PM World Journal*. He can be contacted at d.dalcher2@herts.ac.uk.

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