
Advances in Project Management Series¹

Here comes everybody: Reframing the stakeholder concept when just about everyone can become your stakeholder

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One of the major transformations in the 5th edition of the PMI Guide to the Project Management Body of Knowledge published in 2013, was the addition of a tenth knowledge area dedicated to Project Stakeholders Management. Stakeholder management is not a new area for project managers, but the decision to elevate it to a fully-fledged knowledge area, sitting alongside the well-acknowledged fundamental areas required to achieve effective project management, such as time, scope, risk, quality, communications and integration management, represents a sort of coming of age. For indeed, stakeholder engagement or consideration is increasingly recognised as critical to the successful delivery of projects, and to the long term embedding of change.

The label ‘stakeholders’ applies to the individuals, groups, or even organisations, with an interest in a business, a project undertaking, an initiative, an intervention or a change effort. The interest typically relates to direct or indirect involvement in the work, in the decisions regarding the intervention or to being impacted by the outputs and outcomes of change initiatives and projects.

Projects and programmes will typically have a variety of stakeholders with different, and often conflicting, priorities, interests and values. Engaging with, and involving, the diverse groups of stakeholders is considered essential to the acceptance of the resulting artefacts and to the enduring success of any project or change initiative. The key lies in being able to identify the potential influences, positive and negative, that each stakeholder or stakeholder group wields and to endeavour to harness them to the good of the project.

The PMI Guide to the Body of Knowledge acknowledges that stakeholder management includes the processes required to identify the people, groups or organisations that could impact or be impacted by the project, to analyse stakeholder expectations and their impact on the project and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution. Moreover, it asserts that “the ability of the project manager to correctly identify and manage these

¹The *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 current 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>. See Darren’s background summary at the end of this article.

stakeholders in an appropriate manner can mean the difference between success and failure.”

The management of the different stakeholder groups draws on the ability of the manager to develop communication strategy that caters to the needs, expectations and potential influence of each of the groups in a way that engages, informs, neutralises concerns and encourages support. Above all, it requires timely communication about the potential impact of change and a commitment to both involve and support stakeholders.

Reflecting on the state of stakeholder management

Stakeholder management represents a departure from the previously predominant position of trying to maximise the benefit to shareholders. Such shareholder primacy behaviour has often been linked to a myopic focus on short-term gains, ignoring employees and human concerns, abandoning the environmental aspects, limiting the sustainability considerations, choking innovation and ultimately leading to long-term risk.

Widening the dialogue to incorporate stakeholders with their interests, concerns, expectations and values enables a richer perspective. Hence, the growing interest in stakeholder management... However, we are increasingly recognising that even this conversation is still limited. Introducing stakeholder maps and power and influence grids provides enhanced visibility and allows greater engagement and influence. It also plays a major part in shifting the conversation from one centred around stakeholder management to a more intimate stakeholder engagement focus. Yet, it fails to fully develop and harness the power of interest groups and stakeholders.

As groups become involved and engaged they have a power to contribute, improve and enhance value. Rather than simply re-allocate burdens, risks, concerns and benefits amongst groups, deeper involvement allows for the exploration and development of greater value. In other words, the conversation has shifted from risk allocation to involvement and ultimately to value creation. The new shift means that project managers can now engage with the question of how to create the most value for the most stakeholder groups.

New challenges for stakeholder engagement

Engagement implies a softer emphasis on influencing, guiding and supporting rather than managing diverse groups of stakeholders. But questions of power and influence define actions and consequences.

Moreover, projects are increasingly carried out in contexts that are open to wider scrutiny. The opportunities to participate, embrace or object are enhanced by the adoption of digital communication strategies and the utilisation of social media and social networking technologies.

Project managers who assume that comprehensive mapping of stakeholder groups and influences is sufficient, may encounter surprising and unexpected new forms and communities of stakeholders.

The case of Dippy the Diplodocus

Dippy the Diplodocus is an imposing 85-foot long (26 metre) plaster dinosaur skeleton that has greeted visitors to the Natural History Museum in London for over a century. He is one of ten replicas around the world based on the near-complete skeleton of a real Diplodocus unearthed in Wyoming in 1898. His strategic placement in the Museum's main entrance hall has introduced many generations of children (and adults) to the scale and enormity of dinosaurs.

However, in January 2015 it was announced that Dippy was to be replaced from the summer of 2017 by the 83-foot long real skeleton of a blue whale suspended from the ceiling of the hall.

The proposed change was part of the 'decade of transformation' programme introduced by the director, Sir Michael Dixon. The vision behind the programme is a focus on the real and authentic which tells a story relevant to the natural world of today.

While the intention was to potentially send Dippy on a tour of the United Kingdom, news of his removal from the entrance hall of the museum had caused a bit of an unexpected storm on social media. Dippy the Diplodocus was trending on Twitter as supporters opened an account in his name with a rapidly rising number of followers (potentially making him the only active dinosaur on social media).

The interest surrounding the trending story also resulted in an online petition to the UK government to protect Dippy and ensure his survival.

New and emerging stakeholder communities?

The story of Dippy is not an isolated incident. Social media participants and observers will not be surprised by the attention and rapid support that was generated on Dippy's behalf. Twitter and other social media can underpin an issue or a cause and rapidly create a viral campaign for support.

The wide and rapid reach of social media allows large communities to form in rapid fashion. Supporters can raise social and financial capital in a matter of a few clicks and galvanise communities all over the world into active participation in new ways that can defy the best-organised engagement and communication plans.

The sudden emergence of rapid and unexpected communities and support networks creates new coalitions that can be interpreted as unexpected stakeholders eager to participate in the debate around projects, intervention and change.

The story shows that wider consultation and engagement efforts will become an important part of the growing focus around stakeholder engagement. Developing and sharing convincing narratives with the interested community, and preparing valid storylines may be a crucial part of how we organise for project-wide engagement and plan for interacting with new communities and audiences empowered by new participation technologies.

Stakeholder engagement would seem to increasingly require an awareness of external stakeholders, including the potential to identify, address and respond to the concerns of rapidly emerging communities of concerned observers who may question the rights, ethics, location, logic or legitimacy of selected actions and interventions.

Dealing with difficult stakeholders

Ultimately, the success of many projects hinges on the ability of project managers to lead, persuade and motivate stakeholders to 'buy into' the proposed project or change. The current article by Jake Holloway, *What Stakeholder Management Should learn from Sales and Marketing* is derived from the recent book *A Practical guide to Dealing with Difficult Stakeholders*, by Jake Holloway, Professor David Bryde and Roger Joby published by Gower as part of the Advances in Project Management Series.

Holloway puts forward a passionate case for looking outside traditional project management and learning from the sales and marketing professions. The reality of projects often entails a messy and politically infused context. The book by Holloway, Bryde and Joby warns about the failure to persuade and influence stakeholders. It also does a good job in identifying and focusing on the different groupings around the project including the project sponsor, project team, external clients and contractors and internal customers and gatekeepers addressing the needs, expectations and perspectives of each group using insights from social psychology. To succeed managers require experience and expertise in addressing the different groups of stakeholders and persuading them to engage and support. The book thus offers new thinking and fresh insights into the different types of stakeholder groupings and the solutions that may apply to each.

As our projects and ambition increase in size, scale and scope, and as the communities of potential stakeholders and commentators increase and expand, the ability to understand, guide and lead stakeholders to support successful delivery will increasingly become more significant and critical.

Looking beyond communication

With more commentators and new communities able to engage with debates, discussions and conversations, the role of dialogue and effective communication will become even more crucial. Stakeholder engagement will inevitably need to evolve into a more persuasive form of bringing people along utilising old and new media.

Irish playwright and critic, George Bernard Shaw lamented that the single biggest problem in communication is the illusion that it had taken place. The new role of stakeholder engagement may well be to ensure that the right communication is taking place with the right people at the right time.

It is well known that the art of diplomacy is equated with saying nothing when speaking. In a business context, especially when endeavouring to implement change through projects, the spheres of power, politics and personal interests play a key part in determining and shaping actions and reactions. Listening is essential to effective communication but as business guru Peter Drucker noted “the key to communicating in a difficult management context is hearing what is not said”.

Managing for effective stakeholder engagement requires engaging, listening, selling, marketing, negotiating, debating and persuading. The purpose of engagement is to encompass what is being said whilst also hearing (and addressing) what is not being said. American journalist Sydney Harris wryly observed that while “the two words ‘information’ and ‘communication’ are used interchangeably... they signify quite different things. Information is giving out; communication is getting through.”

Ultimately, project managers who can understand and address true needs and requirements, listen to motivations and issues (and also hear what is not said), and ensure that the message gets through, will be able to deliver enduring and well-received change.

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 another Gower author. You can find previously published articles by Prof Dalcher and Gower authors at www.peworldlibrary.net.

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