

## **A commentary on program/project stakeholders <sup>1</sup>**

By Alan Stretton

### **INTRODUCTION**

Some time ago in this journal (Stretton 2014a) I published a model showing a detailed classification and listing of program / project stakeholders, accumulated from several different sources in the project management literature. My main intention at the time was to provide a substantial checklist of potential stakeholders for an organization, and for its programs / projects. (This was a second edition of an earlier article, Stretton 2010e, which attracted some attention at the time).

More recently in this journal, Pirozzi 2017 published an article entitled “The Stakeholder Perspective”, which looked at various aspects of project stakeholders in substantial depth, including the centrality of stakeholders in projects and project management, the value of stakeholder relations, the complexity of the stakeholder domain, and the importance of relationship management. In doing this, he introduced a behavioural model of the community of stakeholders, and another related to managing the stakeholder network.

This article has led me to revisit my own earlier model, and to see how it relates with Pirozzi, and particularly with the two Pirozzi models just mentioned. This is broadly the subject of this commentary. It should be emphasised that I am not attempting to summarise Pirozzi’s article, but, in a sense, I am cherry-picking from it.

We start with my interpretation of the Pirozzi models, and identification of some issues deriving from them which I found most interesting and/or relevant to my previous work on project stakeholders.

### **FOUR COMMUNITIES OF STAKEHOLDERS, LANGUAGES, & INTERACTIONS**

I do not have the drawing skills to attempt to adequately represent what Pirozzi calls his Stakeholders Hypercube diagram, nor his Stakeholder Network diagram. However, I will endeavour to progressively combine the two in a simplified two-dimensional way, which I hope do not grossly misrepresent Pirozzi’s materials.

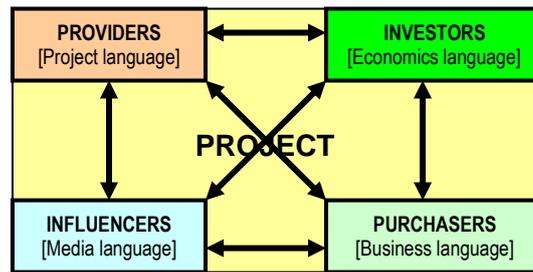
#### **Four communities of project stakeholders**

First, Pirozzi identifies four main communities of stakeholders, which he describes as follows, and which are then notionally represented in Figure 1 below.

Within each project there are ... four communities of stakeholders, which can be defined ... as the suppliers [providers], the purchasers, the investors, and the influencers: each of these communities shares a prevailing interest, a specific language, and ... a common behaviour.

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<sup>1</sup> How to cite this paper: Stretton, A. (2018). A commentary on program/project stakeholders, *PM World Journal*, Volume VII, Issue X – October.



**Figure 1: Pirozzi's four communities of project stakeholders, and the language of each**

With regard to these four communities of stakeholders, Pirozzi says

The management of relations with and among stakeholders is, of course, extremely complex, but the segmentation of stakeholders in four communities drastically reduces the complexity in these processes ....

This is one of the key points that, in a retrospective sense, I find particularly relevant to my previous classifications and listings of stakeholders. I will be re-casting my earlier listings into these four communities of stakeholders shortly. In the meantime, we will look at another attribute related to these four communities.

### **Each of these communities of stakeholders has a specific “language”**

Another point which Pirozzi made in the first quotation above is that each of these communities has a specific “language”. I think that most practising project managers will have experienced difficulties at times in communicating effectively with stakeholders who use quite different terminologies.

I experienced quite a vivid example of this over fifty years ago, when we began computerising our financial systems in Civil & Civic in the mid-1960s. This project (which we named “Calnet”), got off to the rockiest of starts, because we simply could not communicate effectively with our main computer services provider. This was because the latter’s language was so different from ours, which of course we very rapidly recognised at the time, but could not work out how to handle. I should add that this was a particularly important issue to us, because this was the largest internal change project we had ever undertaken to that point.

As it turned out, we had more than a little good fortune in resolving this, when I happened to employ an engineer who had not only been a long-time IBM employee, but also had had some prior experience in the construction industry. He was very familiar with the problem, and being fluent in both languages, was able to translate from our language to theirs in ways that worked very well. I don’t know how we would have progressed without him.

Back to a more generalised context, amongst Pirozzi’s recommendations for project managers in the different language context, he includes

- become a “polyglot”, by learning to better [use], besides the project management language, also the specific languages of both investors and customers.

Well, judging from my experience recounted above, this could be easier said than done. None-the-less, this is a very important recommendation. Obviously some will find the polyglot challenge easier than others. To those who don't find it so easy, at least a "recognise-and-watch-it" perception would be an important first step.

**The communities of stakeholders interact with each other**

The relevance of different "languages" can also be seen to apply more generally to interactions amongst the four communities of stakeholders. The six ways in which this can happen are indicated by the heavy arrows in Figure 1. As Pirozzi puts it,

The communities of stakeholders interact with each other both by developing relationships, via ... communications, and by exchanging contents, via the deliverables:

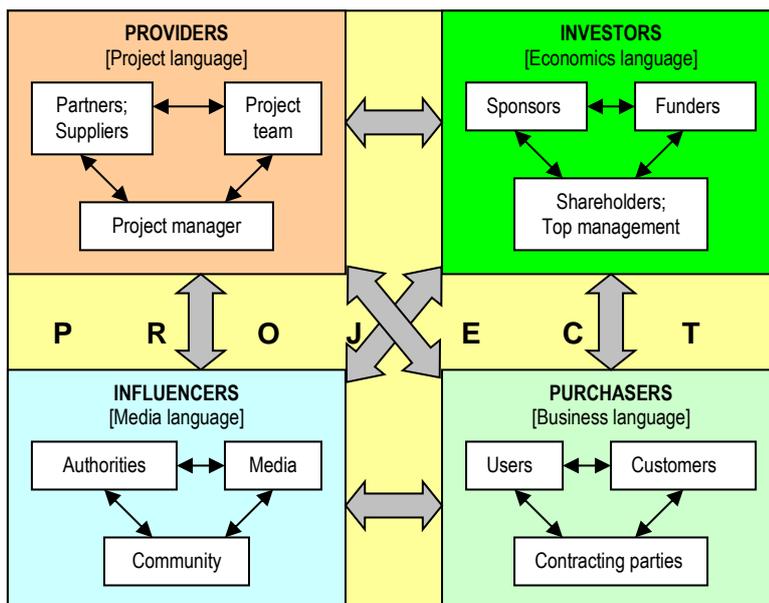
However, he also notes that, "while it is possible to manage the relations *with* stakeholders, it is quite impossible to control the relations *among* stakeholders". A little later, he says that a project manager should

be aware that a network of relations is itself a project in the project, and to try to manage it to the best (instead of being managed by it).

This is a very important part of Pirozzi's article, but further discussion of this topic is beyond the scope of this commentary. Instead, I want to return to Pirozzi's four communities of project stakeholders, and look at these in more detail.

**THE FOUR COMMUNITIES OF STAKEHOLDERS IN MORE DETAIL**

Once again, I do not have the drawing skills to represent Pirazzi's Figure 3 in its implied multi-dimensional context, so Figure 2 below is a two-dimensional substitute.



**Figure 2: Pirozzi's four communities of project stakeholders, in more detail**

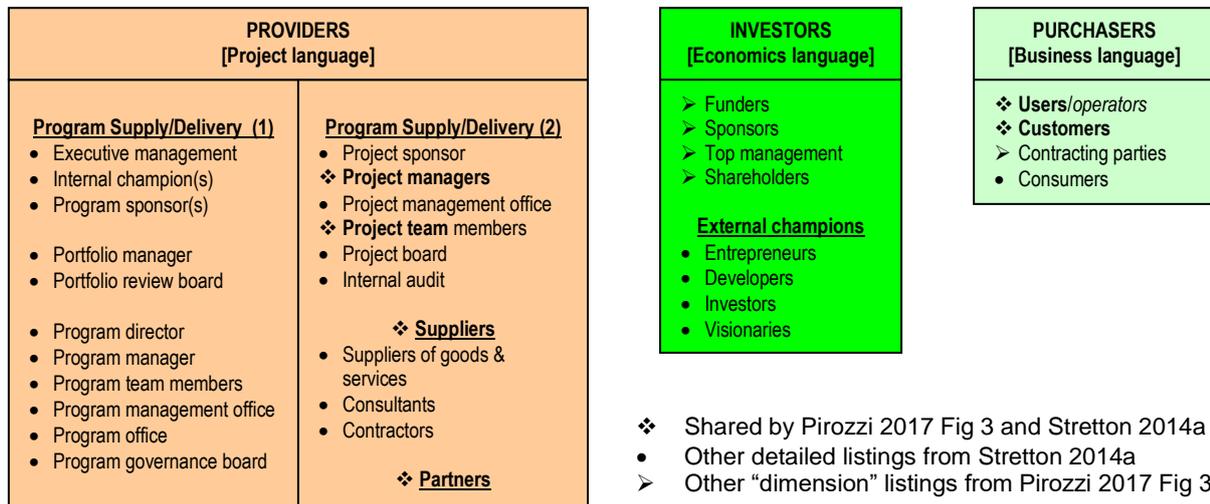
In Pirozzi's words,

Each community [of stakeholders] is characterized by three main dimensions.

These dimensions are as shown in Figure 2, together with the interactions between dimensions, and between the communities, shown by him with thin and broad arrows respectively.

Pirozzi's main dimensions within each community are of course meant to be indicative only. In his text he nominates well over forty stakeholders (which would be styled *dimensions* in the above context).

My previous checklist had over fifty stakeholders. When I re-cast these into Pirozzi's four communities of stakeholders, there were strong commonalities, as well as some differences, as one would expect. We will look at each of the four communities of stakeholders in turn. Three of these are represented in Figure 3 below.



**Figure 3: Combining Stretton 2014a & Pirozzi 2017 Fig 3 for Providers, Investors & Purchasers**

### Providers

It can be seen that I have divided *Providers* into two text boxes. The left hand text box includes portfolio and program stakeholders, which were not covered by Pirozzi (who focused on projects), while the right hand one covers project stakeholders, plus suppliers and partners, which are shared by the two sources. (The underlined sub-headings from Stretton 2014a were originally derived from De Wit & Meyer 2004).

Overall these listings of stakeholders in the *Provider* community appear to be quite straight-forward.

### Investors

With the *Investors* community we have rather different descriptors from the two sources, both of which are included in the relevant text box in Figure 3, for the sake of completeness.

## Purchasers

There is substantial sharing between the two sources in this community, and nothing particularly significant to comment on. We now move on to discuss the *Influencers* community of stakeholders, where there are some significant matters to discuss.

## Influencers

There were many more potential *influencer* stakeholders in Stretton 2014a than in any of the other three communities, and this can almost certainly be attributed to concerns from the sources from which these were derived about the need to identify all potential stakeholders who might influence the project, either positively or negatively, but particularly the latter.

When I re-allocated my original listings into the Pirozzi *Influencer* community, I found that the language of many of my sub-categories did not appear to be of the media type, as shown in Figures 1 and 2 above.

I therefore split these many sub-categories into three languages, as indicated in Figure 4 below. These do not claim to be all that accurately allocated, but I believe they illustrate that many *influencers* do not necessarily speak the media language.

INFLUENCERS		
1. Media language	2. Project language	3. Business language
<p><b><u>Socio-Cultural Actors</u></b></p> <ul style="list-style-type: none"> <li>❖ <b>Media</b></li> <li>❖ <b>Communities</b></li> <li>• Opinion leaders</li> <li>• Religious organisations</li> <li>• Environmentalists</li> </ul> <p><b><u>Political/Regulatory Actors (1)</u></b></p> <ul style="list-style-type: none"> <li>• Governments</li> <li>• Politicians</li> <li>• Lobbyists</li> <li>• NGOs</li> </ul> <p><b><u>Parasitic Participants</u></b></p> <ul style="list-style-type: none"> <li>• Opportunists</li> <li>• Activists</li> <li>• Causes</li> <li>• Intervenor groups</li> </ul>	<p><b><u>Technological Actors</u></b></p> <ul style="list-style-type: none"> <li>• Patent offices</li> <li>• Universities</li> <li>• Research institutes</li> <li>• Standardisation bodies</li> </ul> <p><b><u>Industry Insiders/Outsiders</u></b></p> <ul style="list-style-type: none"> <li>• Competitors</li> <li>• Complementors</li> </ul>	<p><b><u>Economic Actors</u></b></p> <ul style="list-style-type: none"> <li>• Tax authorities</li> <li>• Central banks</li> <li>• Employers federations</li> <li>• Unions</li> <li>• Stock exchanges</li> </ul> <p><b><u>Political/Regulatory Actors (2)</u></b></p> <ul style="list-style-type: none"> <li>• Regulatory bodies</li> <li>• International institutions</li> <li>• External auditors</li> </ul>

- ❖ Shared by Pirozzi 2017 Fig 3 and Stretton 2014a
- Other detailed listings from Stretton 2014a

**Figure 4: Adding listings from Stretton 2014 to the Influencers community of stakeholders**

However, another attribute of Figure 4 is that it is the most complete listing of potential stakeholders *Influencers* that I know of, which hopefully may give it some additional value.

## SUMMARY

The main points of this commentary can be summarised as follows:

- I liked Pirozzi's identification of four communities of project stakeholders, and agree that this segmentation appears to facilitate the management of relations with and amongst stakeholders.
- I particularly liked his recognition that each of these stakeholder communities uses a different "language", and offered a rather vivid example from my own experience of how "language" differences was adversely affecting a very important project in Civil & Civic, and how we overcame this.
- The fact that stakeholder communities interact with each other is also an important recognition.
- I then repositioned the fifty five individual stakeholders in Stretton 2014a into the four communities, and added several more from Pirozzi, to give a total of sixty stakeholders and stakeholder groups, which hopefully may be a useful overall checklist.
- I also noted that my very substantial *influencers* community appeared to have more than the one *media* language suggested by Pirozzi, and proposed a division which put some of this *influencers* community into either *project* or *business* language categories.

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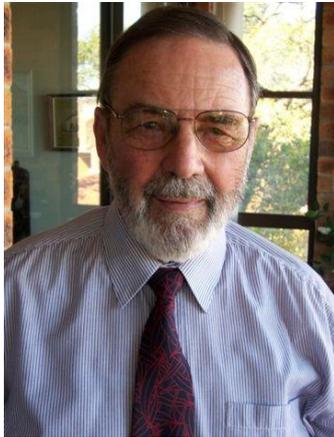
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## About the Author



### **Alan Stretton, PhD**

Faculty Corps, University of Management and Technology, Arlington, VA (USA)

Life Fellow, AIPM (Australia)



**Alan Stretton** is one of the pioneers of modern project management. He is currently a member of the Faculty Corps for the University of Management & Technology (UMT), USA. In 2006 he retired from a position as Adjunct Professor of Project Management in the Faculty of Design, Architecture and Building at the University of Technology, Sydney (UTS), Australia, which he joined in 1988 to develop and deliver a Master of Project Management program.

Prior to joining UTS, Mr. Stretton worked in the building and construction industries in Australia, New Zealand and the USA for some 38 years, which included the project management of construction, R&D, introduction of information and control systems, internal management education programs and organizational change projects.

Alan has degrees in Civil Engineering (BE, Tasmania) and Mathematics (MA, Oxford), and an honorary PhD in strategy, programme and project management (ESC, Lille, France). Alan was Chairman of the Standards (PMBOK) Committee of the Project Management Institute (PMI®) from late 1989 to early 1992. He held a similar position with the Australian Institute of Project Management (AIPM), and was elected a Life Fellow of AIPM in 1996. He was a member of the Core Working Group in the development of the Australian National Competency Standards for Project Management. He has published over 190 professional articles and papers.

Alan Stretton can be contacted at [alanailene@bigpond.com.au](mailto:alanailene@bigpond.com.au).