

Stakeholder Perspective and Effective Relationship Management ¹

A series of stakeholder-centered short guidance articles for increasing delivered value and success rate of projects

Project communications 1.0 and 2.0: from information to interactivity ²

by Massimo Pirozzi

Communication effectiveness to all stakeholders has an essential role in all projects, and it is proven that organizations that are effective in communications are high performers too. Indeed, there are already some years that a Strategic Initiatives Study focused on adapting corporate strategy to the changing economy (Forbes, 2011) revealed that the vast majority of CEOs (92%) thought that communications were critical to the success of their strategic initiatives, while nearly half of them reported that “communications are an integral and active component of the strategic planning and execution process”; accordingly, increased communications topped the list of the key changes that companies were making to improve the success rate of their strategic initiatives. In addition, it is evident (Project Management Institute, 2013) that highly-effective communicating organizations are significantly more performant, since they meet original goals and business intents in almost 50% more of cases than low-performing organizations, and, moreover, they respect time limits in almost the double of the cases. Furthermore, project communications may prove to be essential also as a potential negative factor, since inadequate and/or poor communication is considered a major cause of project failure in almost 30% of the cases (Project Management Institute, 2018).

Therefore, effectiveness in project communications is a Critical Success Factor. This effectiveness, although it requires “soft” skills – which, by the way, are now considered more important than before (Project Management Institute, 2018), and, in general, essential (Pirozzi and Sampietro, 2020), by the vast majority of project managers – has “hard” impacts on project results. However, when project communications can be considered effective? Project communications are effective if they reach their purpose, which ultimately is adding value, and this may happen if and only if they integrate properly

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their two components, i.e. the informative part of the transfer of contents and the interactive part of the relationships among persons.

Indeed, all project communications are purposeful, and different basic purposes are possible, including:

- providing project information;
- obtaining project information and/or data and information that are relevant to the project;
- requesting an action, and/or preventing an action, and/or starting an action, and/or changing an action;
- providing support to decision, and/or advising, and/or consulting;
- learning, and/or facilitating learning;
- setting up and/or improving relationships.

The essential role of interactivity in communication effectiveness should therefore be evident. Nevertheless, for decades, project management literature focused on informative component of communication only, and perhaps that contributed to the development of a sort of “dialogue of the deaf” among project stakeholders, which, on turn, had its heavy responsibilities on misunderstandings reciprocal expectations and on negatively affecting project results. In fact, even today, there is a huge number of projects – i.e., on average, more than 30% (Project Management Institute, 2018) – that do not meet their original goals and business intents, and this actually means also that project stakeholders do not communicate effectively among themselves during the whole project lifecycle.

Above limitation of communication perspective to its informative component only is indeed evident in project management literature, from the very beginning up today. In fact, in original PMBOK Glossary (Project Management Institute, 1987), Communications Management Framework was defined as “The proper organization and control of information transmitted by whatever means to satisfy the needs of the project”. In first edition of PMBOK® Guide, definition of project communications management was that it “includes the processes required to ensure timely and appropriate generation, collection, dissemination, storage, and ultimate disposition of project information” (Project Management Institute, 1996), while current edition is a bit more complete, but, in any case, lightly different, since it states that “project communications management includes the processes required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring, and ultimate disposition of project information” (Project Management Institute, 2017). All above definitions, then, are focused on “information management” only, rather than on “relationship management” too, while communication management include of course both.

In short, the main difference between communication and information is that, while communication is a two or more way transfer that involve human relations aspects, information can be limited to a one-way rational transfer, which does not necessarily involve any feedback or existence of personal relation. Indeed, the etymology of word “communication” is from Latin “*communicatio*”, which roots indicate “a common participation”, or “the action of letting someone in on a subject”: therefore, from ancient

times, the concept of communication is bound to the sharing of information, rather than their unidirectional broadcasting, and, then, the model of communication is not purely one-way informative, but it is absolutely multiple-way interactive. In other words, communication includes information, but it is not limited to it.

So, what is stakeholder communication? Basically, it is a crucial, and constantly present, aspect of interaction among stakeholders, and, then, it can be considered as a synonym of behavior: “In the perspective of pragmatics, all behavior, not only speech, is communication, and all communication (even the communicational clues in an impersonal context) affects behavior” (Watzlawick, Beavin and Jackson, 1967).

Communication flow is synthetized in the Interactive Stakeholder Communication Model (Fig.1), which is the stakeholder-centered adaptation of Schramm’s Model (1955) – actually more oriented to communication among devices rather than to communication among people.

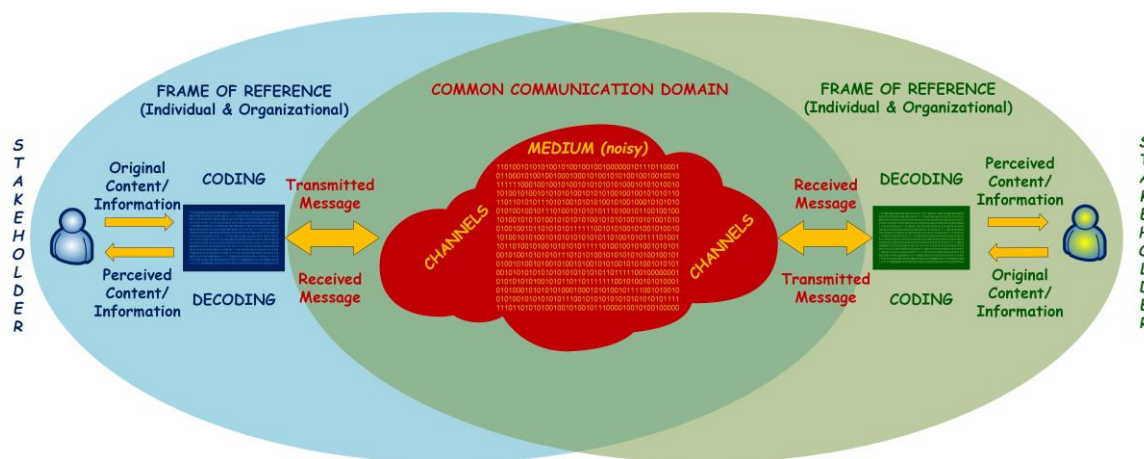


Fig.1 - The Interactive Stakeholder Communication Model

Transmitting stakeholder, who has his/her own individual and organizational frame of reference, codes original information in a commonly understandable way (e.g. a language), then formats it and “bags” it in a message to reach its destination, then delivers the message in a common communication domain (if it does not exist, it must be set up!) via a shared medium (which, in general, introduces physical, physiological, and semantic noise!). At this point, receiving stakeholder, who has his/her own frame of reference – that is generally different from the transmitting stakeholder’s one –, gets the message, decodes it, and perceives a content that will influence his/her following behavior.

In project management, we have to be very clear on one point: project manager is responsible for the completeness and the correctness of the received/perceived information, and not just for its transmission! In fact, since each communication has its own purpose, and then constitutes in all respects a project object, project manager must

check, and eventually solve, problems in the communication flow that could influence stakeholder successive behaviors, and then affect the project.

In general, each stakeholder manages and perceives any communication, both in terms of contents and in terms of relationship, through his/her five senses, and, then, communication channels, in order to be effective, have to be designed, planned, implemented, controlled, and improved accordingly. Naturally, the communication channels that are most suitable for setting up and maintaining an effective communication among stakeholders rely on the two senses that are more developed in human beings, i.e. either hearing, or sight, or a combination of both, and may be pragmatically categorized in oral, paraverbal, non-verbal, written, and visual communication – while communication channels based on touch, taste, and smell are generally used not to develop, but to support effective professional communications. Both oral and written communication constitute verbal communication, since they are both based on the use of words (“*verba*” in Latin) to represent material and immaterial concepts.

In summary, oral communication, due to its volatile nature, is mainly indicated to develop the relationship part of communication, and less to agree contents, while paraverbal communication focuses more on giving meanings to the messages, and nonverbal communication is mainly used to validate speeches. On the other side, written communication, due to its intrinsic solidity and stability, is particularly indicated to agree contents, and less to develop the relationship part of communication, also because it is not specifically appropriate to support negotiations. Written communication can be effectively integrated with visual communication, since the association of words to images may have both a greater informative impact (“a picture is worth a thousand words”), and a better liking: anyway, in interpersonal communication, the capability of active listening and observation is an essential skill in effective communication.

A paradigm for effective communication can be the following:

“We should communicate ourselves, but in the language of others”.

In this way, other people will appreciate that we are true persons that expose contents, in which we believe ... and, since we are using their language, they should understand what we do mean too, so that, definitively, communication will reach its purpose.

In any case, diverse forms of communication coexist in each project. Main typologies of communication include:

- Direct interpersonal communications. Their use is mandatory in relationships with key stakeholders (positive, negative, and neutral), while their main purpose is generally both to add value, and to prevent promptly all those communication gaps that may generate misinformation and/or semantic noise.
- Reporting. This is the basic traditional form of communication, which, however, in itself does not give guarantees of effectiveness (reports may not be read because they are considered long, difficult, or ... boring), and, therefore, have to be

integrated with proper summaries, should include attractive graphics – as in dashboards and in scorecards (Kerzner, 2015) – and an adequate management of feedbacks, and may eventually be supported by direct communications.

- **Computer Mediated Communications.** This form of communication, which includes emails, social messaging, etc., is presently the most used (and often overused!) typology of project communication. It is of extraordinary importance both to support direct communications with key stakeholders and to communicate with non-key stakeholders, while its misuse as an alternative to direct communications with key stakeholders can generate damages to the project, since this impersonal form of communication is totally inadequate to negotiate, and it is generally perceived as “cold” and as characterized by contents of minor importance, or even by spam.
- **Project relations.** These include several type of communicative actions (Bourne, 2015), which are finalized to support project marketing and/or the promotion/defense of the project reputation, and they are of essential importance, in particular in relationships with the stakeholder communities of influencers.

It is therefore evident that, nowadays, a vast part of project communications are supported by worldwide web 1.0 and 2.0 (although both the importance and the impacts of this phenomenon are generally underestimated by project management literature). In fact, stakeholder communities of Providers, Purchasers, Investors, and Influencers (see also the previous Article of this Series) form a real and proper network; the Stakeholder Network (Pirozzi, 2017) is not neutral with respect to the project, and it may turn out to be either the originator, or the amplifier of both great opportunities and critical threats, and, therefore, it has specific characteristics, which have to be managed carefully.

In fact, Stakeholder Network:

- is both informative and interactive, and has a 2.0 behavior through and through;
- is a fast multiplier of the stakeholder satisfaction and dissatisfaction messages, then generating a snowball effect about their feelings versus the project; marketing literature generally reports that a satisfied stakeholder communicates it on average to three others, while a dissatisfied stakeholder communicates it on average to other ten, and these phenomena on the network are substantially immediate;
- is multilingual, since it carries messages in different languages, including project management language, business languages, economic languages, media language, natural languages, spoken languages, social media languages and paralinguages, etc., and it allows a large variety of multiple and/or integrated, and/or hybrid formats too;

- is not controlled by any project stakeholder (much less by the project manager!), but it is continuously influenced by all stakeholders; stakeholder network is extremely noisy, since communications among stakeholders seriously affect each other, and, then, monitoring relations among stakeholders becomes essential to manage effectively relations with stakeholders;
- is asymmetric, e.g. while providers generally transmit reports that include somehow big data and that are characterized by a consistent information richness, they often receive from other communities of stakeholders relatively few information, even if these are of high quality and of capital importance.

Definitively, since the stakeholder network is not neutral with respect to the project, and it may turn out to be either the originator or the amplifier of both great opportunities and critical threats, project manager cannot be neutral – also because he is a person, and not a device! –, and cannot act neutrally, versus the stakeholder network itself, which has to be considered, respected and properly addressed. In general, in major and/or large and/or complex projects, while the design, the organization, the development, and the improvement of an appropriate project relations campaign may require specific communication skills, project managers must therefore have at least those 1.0 and 2.0 competences that may allow continuous, and effective, monitoring and interaction with stakeholder network.

Ultimately, managing relationships with stakeholders is evidently very complex, and every project manager should necessarily add to those high competences in effective communication, which are foundational for initiating, developing, and managing effective communications with the various stakeholders, those basic personal and interpersonal skills in terms of personal mastery, leadership, and teaming, which are necessary for his optimal both personal, professional, and organizational behavior. These skills will be the topics of next Article of this Series.

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This Article Series is dedicated to Russ Archibald, extraordinary Master, Author, and Person, who was so kind to repeatedly validate and promote my papers, and of encouraging me greatly and affectionately to proceed in my research on stakeholders.

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About the Author



Massimo Pirozzi

Rome, Italy



Massimo Pirozzi, MSc cum laude, Electronic Engineering, University of Rome “La Sapienza”, Principal Consultant, Project Manager, and Educator. He is a Member of the Executive Board and of the Scientific Committee, and an Accredited Master Teacher, of the Istituto Italiano di Project Management (Italian Institute of Project Management). He is certified as a Professional Project Manager, as an Information Security Management Systems Lead Auditor, and as an International Mediator. He is a Researcher, a Lecturer, and an Author about Stakeholder Management, Relationship Management, and Complex Projects Management, and his papers have been published in U.S.A., in Italy, and also in Russia; in particular, he is the Author of the innovative Book “*The Stakeholder Perspective: Relationship Management to enhance Project value and Success*”, CRC Press, Taylor & Francis Group, Boca Raton (FL), U.S.A., October 2019. Due to the acknowledgement of his comments on stakeholder-related issues contained in Exposure Draft of The Standard for Project Management - 7th Edition, he will be also included in the list of *Contributors and Reviewers of The PMBOK® Guide - Seventh Edition*.

Massimo Pirozzi has a wide experience in managing large and complex projects, programs, and portfolios in national and international contexts, and in managing business relations with public and private organizations, including multinational companies, small and medium-sized enterprises, research institutes, and non-profit organizations. He worked successfully in several sectors, including Defense, Security, Health, Education, Engineering, Logistics, Cultural Heritage, Transport, Gaming, Services to Citizens, Consulting, and Web. He was also, for many years, a Top Manager in ICT Industry, and an Adjunct Professor in Organizational Psychology. He is registered as an Expert both of the European Commission, and of Italian Public Administrations.

Massimo Pirozzi is an Accomplished Author and the International Correspondent in Italy of *PM World Journal*. He received two *2019 PM World Journal Editor’s Choice Awards* for his featured paper “*Stakeholders, Who Are They?*”, and for his report from Italy titled “*PM Expo® and PM Maturity Model ISIPM-Prado®*”. He received also the *2018 PM World Journal Editor’s Choice Award* for his featured paper “*The Stakeholder Management Perspective to Increase the Success Rate of Complex Projects*”.

Massimo can be contacted at max.pirozzi@gmail.com.