

## **Online Communication to Increase Project Value by Enhancing Stakeholder Engagement<sup>1</sup>**

**Massimo Pirozzi and Marco Pirozzi**

### **ABSTRACT**

In each project, the communication is a powerful support to the stakeholder engagement and, therefore, to the generation and the delivery of value. In addition, the use of the online communication gives the opportunity of increasing the number of stakeholders that are involved in all projects, and of enhancing their engagement too, so enabling an additional value to be delivered. This paper gives an overview about the essential role of interactive communication in the projects, shows how the stakeholder engagement acts as an enabler of the project value, highlights the important role that online communication may have in all projects, and finally proposes, as an example of successful use of online communication, the case of video games projects.

### **THE ESSENTIAL ROLE OF INTERACTIVE COMMUNICATION IN THE PROJECTS**

We may define the communication as a two or more way transfer that involves human relations aspects, while, on the other side, the concept of information can be limited to a one-way rational transfer of data, which does not necessarily involve any feedback or the existence of a personal relation. Indeed, the etymology of word “communication” is from Latin “communicatio”, roots of which 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 to their unidirectional broadcasting, and, then, the model of communication, which is evidently valid in case of project communication too, is not purely linear, but absolutely interactive (Pirozzi, 2019).

However, project management literature quite always focused on project communication as if it was a synonym of project information, so generating a significant risk of harmful mistakes and/or misunderstandings in the direction of underestimating the other stakeholders’ roles and contributes, and, therefore, of overlooking the importance of their feedback. In addition, since – as per the first communication axiom (Watzlawick, Beavin, and Jackson, 1967) – “one cannot not communicate”, in all project communications the interactivity is not an option to be selected or refused, but is an essential issue that is embedded, and then always actively present, in all relationships with, and among, the project stakeholders.

In general, all project communications are purposeful, and the interactivity is for them a basic driver. The main purpose that is commonly attributed to project communication is

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the proper exchange of project information, which is necessarily linked, in any case, with the existence of an appropriate feedback that can ensure both the correct receipt, and a satisfactory understanding, by the stakeholders who are the recipients. Therefore, in order to exchange properly project information, there is the need not only of the availability of a common communication domain to reach the recipients and of an effective message transmission to deliver the desired contents, but also of specific actions that may stimulate the receiving stakeholders to release their feedback. It is worth affirming once again that, in projects, the effectiveness in communication – including the receiving of the feedbacks – is evidently part of project manager responsibilities – the receivers are stakeholders, and not devices, and then they cannot be considered by default responsible of a bad reception of our messages! –, and that exchanging properly project information requires a communication continuum to be managed, and not just an informative broadcast towards stakeholders.

More generally, the facts show us that project communications have also a larger purpose, which is the generation and the exchange of value; of course, this value may be positive in case of effective communication, while may be negative in case of poor, inadequate or missing communication. In fact, organizations that communicate more effectively realize projects that are more successful, and specific surveys demonstrated (Project Management Institute, 2013) that high-performing organizations were about 50 percent more effective in meeting original project goals and business intents, almost 100 percent more efficient in respecting time constraints, and almost 60 percent more efficient in finishing projects within budget. Definitely, it is significant that the “soft” process of communicating has, in any case, “hard” impacts on scope, quality, time and costs, since it is proven that a direct correlation between project communication and project results exists. In addition, other surveys showed the significant increase of the perceived importance of project communication by the project management community (Project Management Institute, 2018), and confirmed that today the poor/inadequate communication is considered a major cause of project failure (Project Management Institute, 2021) by a considerable percentage – even much more numerous than some years ago – of professionals, so demonstrating the ever concrete and rising importance that communication has for all project stakeholders.

In general, an effective communication influences positively the stakeholder engagement, which, on turn, is a basic driver for the generation, the perception, and the delivery of the project value.

## **STAKEHOLDER ENGAGEMENT AS AN ENABLER OF PROJECT VALUE**

Indeed, there is a strong bond between the project communication and the project value, of which the stakeholder engagement is a basic enabling factor. Furthermore, it may be interesting to notice that there can be relatively long time frames – especially in the periods between two milestones – in which no deliverables are planned to be released, and, therefore, the communication may constitute the only “deliverable” that can be

effectively submitted to the project stakeholders, so confirming that communications are part of the project value in all respects.

Actually, there is a virtuous circle that includes both the project communication and the project value, which forms, in a systems thinking approach (Senge, 2006), a *reinforcing loop*; a better effective communication generates an increase of the generated, the perceived and, then, of the delivered value, and so on (see Figure 1), although, vice versa, a poor, inadequate, or missing communication decreases value, and so on. Still in a systems thinking approach, the “*limits to growth*” (Senge, 2006) that do not make possible an unlimited increase of the value consist evidently of both the provided resources and the available competences.

In any case, since all stakeholders are interconnected, the four main stakeholder communities, which are the providers (i.e. the project manager, the team, the suppliers...), the investors (i.e. the project sponsor, the top management, the shareholders, the funders...), the purchasers (i.e. the customers, the users ...), and the influencers (i.e. authorities, regulatory bodies, associations, communities ...) engage and communicate via an actual stakeholder network (Pirozzi, 2017).

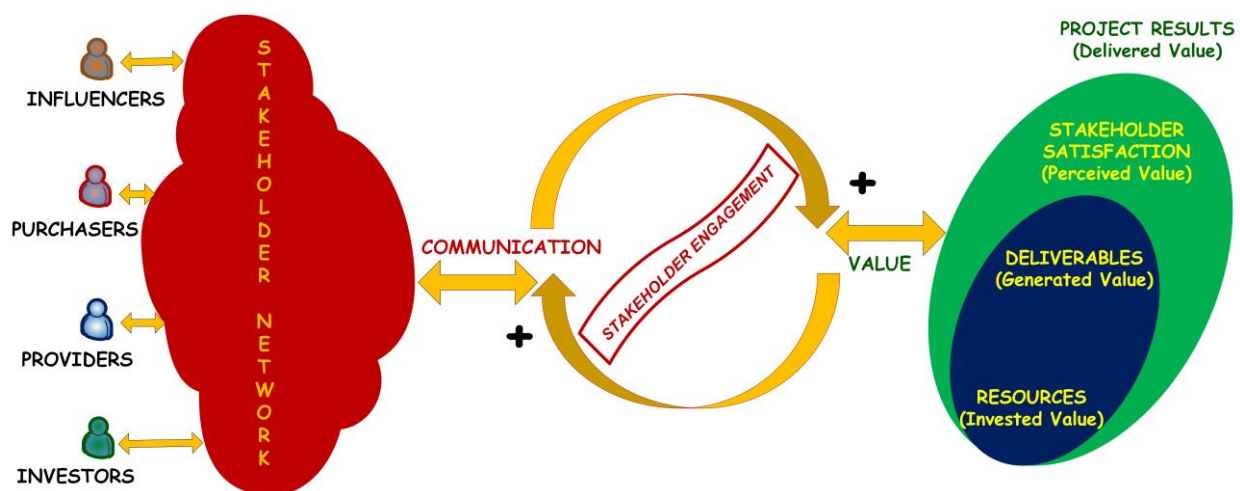


Fig.1 – The Reinforcing Loop Communication/Engagement/Value

It is important to be aware that the stakeholder network has specific characteristics, which have to be managed carefully; indeed, the 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. For example, stakeholder network (Pirozzi, 2019) is multimedia, multilingual, and asymmetric, can be either synchronous or asynchronous as well as either informative or interactive, is not controlled by any project stakeholder but is continuously influenced by all of them, and, maybe above all, acts as a multiplier factor in terms of the stakeholders involved, of their relations, of the potential continuity of their participation, and of their feedbacks.

In general, stakeholder communications are basic for their positive engagement, which, on turn, significantly affects the project value. In particular:

- the engagement of investors influences directly the made available resources (i.e. the invested value), and also their perceived value (Pirozzi, 2021);
- the engagement of providers influences directly their productivity and, then, the deliverables (i.e. the generated value), and also contributes to the stakeholder satisfaction (i.e. the perceived value);
- the engagement of purchasers influences directly their satisfaction (i.e. the perceived value), and indirectly the deliverables (i.e. the generated value);
- the engagement of influencers influences directly their satisfaction (i.e. the perceived value).

Definitively, the engagement of all the project stakeholders influences, and then determines, the project delivered value, and the results of this cause-effect relation can be effectively empowered by the online communication.

## **ONLINE COMMUNICATION IN THE PROJECTS**

During the last years, we have changed our “habitat” into a new one, in which we live connecting and exchanging digital information with other people, or more generally with the web community: this “habitat”, on one hand greatly increased the number of possible human relations, on the other hand integrated and modified the kind of nature on which the relations start, evolve, or finish. The networking, now possible at any time and everywhere, changed not only the way to exchange information or to relate with people, but also the way to exchange resources, and the way to relate with a brand or an organization, thus determining a deep modification of behaviors. Indeed, the digitization of a part of the value that is exchanged among and/or within the organizations, leads to the need of considering a new management approach, based on a cultural change, which on one side includes the digital domain in both the strategies and the operations of the organizations, and on the other one side focuses on the relationships with current and potential stakeholders.

Therefore, nowadays, the Web overcomes the limitation of being only a technological instrument, and takes on, in all respects, the role of a new business/social/project domain, which follows its own precise rules and logics. In this specific framework, the stakeholders may be influenced by many factors, including the behavior that are adopted online, the media that are used to communicate and the contents that are exchanged. Specifically, the media influence the online communications, because the type of media that is selected determines which type and format of the contents, which type of language and behavior, and which type and synchronization of the interactions have to be used in order to be effective. Moreover, the content that has been chosen to be published must be in accordance with the principle of *newsworthiness*, so ensuring both its circulation and the stakeholder involvement.

Then, in each situation, and whatever the purpose is in terms of identifying, reaching, engaging, and managing stakeholders, the selection and the optimal use of a certain

media is not a natural consequence, but is the result of a specific strategical and/or operational decision. Moreover, it is important to be aware that the first communication axiom (Watzlawick, Beavin, and Jackson, 1967) – “one cannot not communicate” – is evidently valid also in the case of online communication, which will exist and evolve among stakeholders in any case, both if we decide of participating to it or not – of course, in this latter case, both the stakeholder relationships and their consequences on the project may evolve, at higher risk, unmonitored, unmanageable, and, ultimately, uncontrolled. Definitively, the kind of online communication that is actually used or not is going to influence deeply the stakeholder engagement, and, then, the delivered value.

Indeed, an appropriate online communication, both informative and interactive, may increase the number of project stakeholders that can be engaged in the project, and/or can reveal new (and/or new typologies of) stakeholders maybe unknown before, and/or can increase the quantity and improving the quality of stakeholder feedbacks, or, in general, can contribute to the better identification of the project stakeholders, of their expectations and of their behaviors. In addition, appropriate contents that are conveyed via appropriate media may also convert the stakeholder attitude toward the project in a positive engagement, and, then, may enhance not only the management of stakeholder relationships, but also represent a powerful support in building up the stakeholder satisfaction, and, then, the value perception. Ultimately, a proper online communication may integrate effectively an adequate face-to-face communication in supporting the generation of value, its perception, and its delivery.

In general, the online communication allows increasing greatly the potential of establishing relationships with project final users and external influencers (Pirozzi, 2017, and Stretton, 2019), whom may be expensive and/or difficult and/or in most cases impossible to reach through face-to-face communication; these “new” stakeholders will be participants to the project in all respects, and, moreover, will be aware of their participation, so becoming potentially available for an effective engagement. For example, in large infrastructure projects, the online communication can make possible the involvement of various typologies of communities, which, if properly engaged, may change their condition from potential generators of criticalities to potential supporters and/or generators of opportunities for the project. In addition, the online communication may be a very good integration and/or an effective and efficient partial replacement of the face-to-face relationships with project key stakeholders as the project team, the investors (including project sponsor and top management), and the contracting customers (e.g. in the cases of virtual meetings and/or of the use of emails/social messaging to prepare or to support face-to-face meetings, or events in presence).

In fact, the face-to-face communication maintains its effectiveness – and then it is not fully replaceable – in the relationships with key stakeholders, because of its information richness – which, for instance, includes a greater quantity of nonverbal cues – and of its general capability of being more persuasive and faster in solving eventual conflicts. In addition, most key stakeholders tend to give more importance to the contents that are embedded in face-to-face communicative messages rather than to those that are

included in an email, in a social message, or in other online communications. Therefore, on one side, key stakeholders do generally “expect” a certain quantity of face-to-face-communication, while, on other side, an overuse of online communication in the relationships with them may be both very risky and a potential generator of misunderstandings, of conflicts, and even of disengagements.

However, there are some key stakeholders as the opinion leaders, the influencers, the *ambassadors* (Prieto, 2015) etc., i.e. those that have a relatively significant number of followers in their network, who can take on roles of extraordinary importance for the projects, by engaging other stakeholders and by influencing them to contribute to project value – or, at the contrary, if they are not properly engaged, by negatively influencing their followers on issues that are relevant to the project. This effect is mainly related to the project perceived value, and is mainly emotional, since the perceived value it is usually a subjective evaluation, which is affected by emotions, simplifications and non-rationality – that we often try to justify with rationality, although we do not always succeed in that. In any case, the correct acknowledgement of the perceived value is foundational to understand which actually is the project status and which the next steps should be – also in terms of eventual modifications and/or corrective actions –, and, then, special efforts are needed in order both to obtain stakeholder’s feedbacks, and, because of their subjectivity, to be able to interpret them correctly.

In fact, the basic importance of stakeholders’ feedbacks, in the online communication, is not only that of being the acknowledgements of a correct receipt and understanding by the stakeholders themselves – as it is in all other types of communication –, but is to be a value bringer too, and, therefore, it has to be managed carefully (and professionally!); indeed, the stakeholder network, as we saw before, is a fast multiplier of satisfaction and/or, even more, of dissatisfaction messages. In addition, also because of the network rapidity, the process of staying connected with stakeholders, in order to get their feedback, needs to be continuous, and also continuously tuned; therefore, starting from the first contact, it is important to establish, to agree, and to maintain a specific common “coding” of the online communication that can enable all the exchanged messages to be mutually clear, understandable, shareable, and, possibly, considered valuable. Ultimately, since the online communications are media-sensitive, all contents have to be adapted accordingly.

Definitively, the effective online communication requires specific competences, which have to include both the technical digital skills in terms of media, contents, and languages, and the abilities of addressing those stakeholder emotions that influence their engagement and, then, their project value perception. In addition, since a large variety of projects may take advantage of the professional use of the online communication, the inclusion of a dedicated Work Package in the project Work Breakdown Structure is recommended. Ultimately, managing online communication processes requires, as per other communication processes, planning, implementation, and control, and, because of the continuity and of the interactivity of the relations with networked stakeholders, it is advisable to operate an adaptive project management approach. An example of project

cases that are characterized by an extensive (and successful!) use of online communication is that of the developments and the upgrades of the video games, an overview of which will be given in the next chapter.

## THE CASE OF VIDEO GAME PROJECTS

The people of the web community are evidently key stakeholders in the video games projects, and, then, in this case, the online communication is not only primary, but also dominant with respect to all the other forms of communication. Since the value that is generated by the project team is mainly objective and rational, while the perceived value is mainly a subjective evaluation, affected by emotions, simplifications and non-rationality that we tend to justify with rationality, some successful video games industries integrate in their online communication both the rational and non-rational components, by taking full advantage of two different types of key stakeholders that act as middlemen with respect to the web community, i.e. the focus groups of testers and the streamers.

The organization and the management of a focus group that is a representative sample of the web community is generally an excellent way to make a preliminary test in the field of a new software release, and to get some initial feedbacks that may be very interesting to drive eventual modifications and/or corrective actions. However, the focus groups are generally limited in fully representing the potential customers/users, because the online communication with them, on one hand, does not have those characteristics of continuity that are needed to ensure a reasonable completeness of their feedbacks, on the other hand, their awareness of being evaluators leads them to a rational mindset that, therefore, may not be the most suitable to give a picture on the perceived value, which, as we previously saw, is essentially based on non-rationality.

For instance, there are some online card videogames that are played by millions of people worldwide, and the structure of which is based on cards that have to be bought inside the game, which, in order to be always cool and playable by the users, have to refresh constantly their card set with a new one. In order to do that, the project team proceeds in two main steps. First, there is the announcement of the new release well in advance – of course with some information included – by editing videos and by publishing them on different platforms, social media and websites, and in different media-related formats: in this way a stakeholder community forms, looks at the release, starts to discuss about it, shares it, and gives its first feedbacks. This stakeholder community is an example of key stakeholders with whom a specific common “coding” in terms of online communication has already been established, so that the project team knows in which way they can reach them – and vice versa! –, and knows also that they are people who are emotionally involved; this aspect is fundamental on one side for the quality of feedbacks that may be received, on the other side for the manifestation of the perceived value that may be detected and then measured with specific parameters.

In addition, a project “prerelease” is distributed to some special *streamers* who are videogame’s pro players: these streamers play the new cards before the others, and their followers start to see how the game is going to change due to the new release, and start

also to be influenced by the streamers themselves, who are recognized as professionals that are very well prepared about the game. Definitively, the streamers are key stakeholders with unique characteristics versus the other external stakeholders: they are “opinion leaders” that have a powerful influence and that are respected at a level that would be otherwise unattainable by the project team directly, they share the project with the other stakeholders – also on diverse platforms – becoming part of the project itself, and, ultimately, they effectively engage the other stakeholders. Finally, in this way, each release can be distributed incorporating all the modifications that derive from the above “sharp tuning” with the key stakeholders that are part of the web community, so ensuring a high level of their satisfaction, and, then, a good perceived and delivered value.

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## About the Authors



### 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*, and he received the *Certificate of Appreciation for Excellence for his volunteer contributions to the Project management Institute and the project management profession in 2020*.

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 an International Editorial Advisor 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](mailto:max.pirozzi@gmail.com).



## **Marco Pirozzi**

Rome, Italy



**Marco Pirozzi**, Project Manager, Communication Specialist and Social Media Manager, got a Bachelor's Degree in Digital Communications, Technologies, and Cultures at the University of Rome "La Sapienza", discussing a Thesis on the topic of Communication in Psychotherapy. He has the Advanced Certification in Project Management ISIPM-Av® released by the Istituto Italiano di Project Management (ISIPM); he is certificated in Social Media Management; and he attended Advanced Courses in Neuromarketing. He is experienced in Management of Customer Relationships, both at national and at international levels, in the Food and Beverage Sector. His interests focus on project management and digital communication, including social media, video, and music formats.

Marco can be contacted at [pm.marco.pirozzi@gmail.com](mailto:pm.marco.pirozzi@gmail.com).