

Stakeholder Management Series: Identify, Plan, and Manage & Control Engagement

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Effective Communication for Managing Projects

PMGT-502

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September 25, 2016

Table of Contents

STAKEHOLDER MANAGEMENT 4

STAKEHOLDER IDENTIFICATION 4

 Overview 4

 Inputs 5

 Tools & Techniques 7

 Outputs 8

PLAN STAKEHOLDER MANAGEMENT 9

 Inputs 9

 Outputs 10

 Implied Importance..... 10

MANAGE STAKEHOLDER ENGAGEMENT 10

 Overview 10

 Inputs 11

 Tools & Techniques 11

 Outputs 12

CONTROL STAKEHOLDER ENGAGEMENT 13

 Overview 13

 Inputs 14

 Tools & Techniques 14

 Outputs 14

 Implied Importance..... 14

Summary 15

References..... 17

STAKEHOLDER MANAGEMENT

Stakeholder management includes all aspects of managing the relationship with stakeholders, such as stakeholder communications, management, and control (Dow & Taylor, 2015, Pg. 14). Proactively managing stakeholder relationships must occur throughout the life of the project. Failure to do so will lead to delays if not a failure of the project objectives.

Beginning with stakeholder identification, the process moves to the planning stage. This stage defines the processes, procedures, tools, and techniques to effectively engage stakeholders in project decisions (*Project Management Institute (PMI)*, 2013, p. 563).



STAKEHOLDER IDENTIFICATION

Overview

One of the still unresolved issues in stakeholder theory and stakeholder management is the question of who the stakeholders are, and additionally, which of these stakeholders are to be involved (Achterkamp & Vos, 2007, p. 3). Stakeholders, or those who hold a stake or interest in a project, are those individuals, groups, or organizations who may affect, be affected by, or

perceive themselves to be affected by a decision, activity, or outcome of a project (*Project Management Institute (PMI)*, 2013, p. 563). Identifying stakeholders involve more than simply listing the names of those individuals or organizations in the Project Charter, or who might be present during the kick-off meeting; it must also include those who might have influence over the process or be influenced by the process. *Figure 1*, illustrates the process, whereby various inputs and tools & techniques are utilized to help create the output or stakeholder register. The stakeholder process repeats throughout the project to reassess each stakeholder's impact/influence of the project and to help identify potentially new stakeholders.

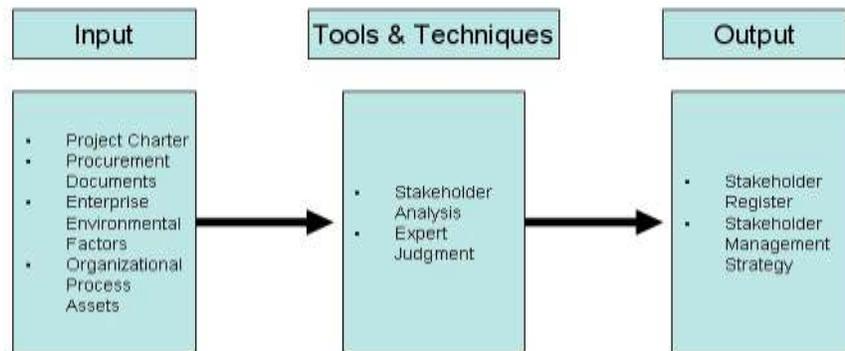


Figure 1. Stakeholder Identify Process

Inputs

The inputs process begins with information provided within the Project Charter, analyzes Procurement Documents, evaluates Enterprise Environmental Factors, and finally evaluates the Organizational Process Assets.

Project Charter

The project charter is the initiating document that approves the project, assigns the project manager, and is the official “kick-off” of the project (Dow & Taylor, 2015, p. 107). At

this point, the project is in its infancy and contains the names of the project sponsor(s), project manager, team members, groups and departments, other people or organizations affected, and the customer(s) (*Project Management Institute (PMI)*, 2013, p. 394).

Procurement Documents

The process continues with a review of procurement documents. The procurement of needed resources involves outside vendors or parties who, by the nature of their business become a stakeholder, whether understood or not. As a result, these parties become a necessary member of the stakeholder list and are evaluated as to their level of impact upon the project.

Enterprise Environmental Factors

The identification of stakeholder's process goes one step further and evaluates environmental factors such as an organization's structure and culture, government and industry standards (i.e. ISO 9001 or S.A.E, etc.), regulations and global/regional trends or practices (*Project Management Institute (PMI)*, 2013, p. 395). In *Figure 2*, an organization's culture, or policies and procedures govern how that organization performs its assigned tasks. Material procurement processes are well established and contain steps necessary to ensure regulatory compliance. The regulatory process, by its nature, has an impact on and stake in the project. Example: Hazardous material must be handled and shipped in compliance with government regulations. If an order of hazardous material were needed, the project's timeline would be impacted by this regulatory requirement.



Figure 2. Enterprise Environmental Factors

Tools & Techniques

Tools & techniques involve the analysis of stakeholders. Each stakeholder is evaluated to understand their level of interest, expectations, and influence upon the project (*Project Management Institute (PMI)*, 2013, p. 395). In Achterkamp, M. C., & Vos, J. F. (2007), the evaluation of stakeholders goes one step further in that stakeholders are evaluated based upon their role as being passively or actively involved. Those actively involved can affect and are affected by the project, whereas those passively involved are affected but have no influence on the project. This critical distinction is essential in determining how to classify each stakeholder.

In *Figure 3*, the stakeholder influence/interest grid is used to determine how closely to monitor each stakeholder. How closely to monitor each stakeholder is directly proportionate to their level of interest and power over a given situation. Some stakeholders have lots of impact

on a project and should, therefore, be managed closely, whereas others simply require monitoring.

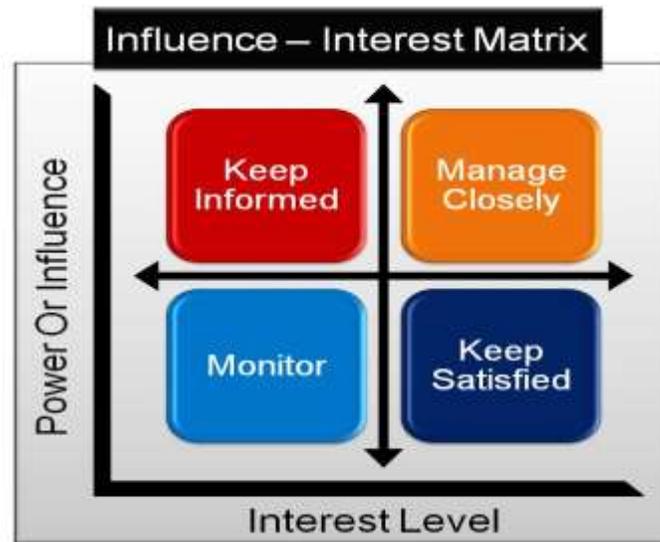


Figure 3. Power/Interest Grid with Stakeholders

Upon completion of the stakeholder analysis, expert judgment is utilized to determine if the final analysis is complete and accurate. Project managers who have completed similar projects, senior leadership, key stakeholders, and subject matter experts review the listing of stakeholders to ensure it is comprehensive for the project under analysis.

Outputs

The stakeholder register is created during the outputs process. The register contains all the details related to each stakeholder's identification, expectations, influence, interest, and classification. This register is reviewed continuously throughout the project lifecycle and is updated as phases of the project are completed. Successful completion of an accurate and thorough register is the basis for the establishment of the stakeholder management plan. This

plan will serve as the basis for how to manage stakeholders from project inception to completion and delivery.

PLAN STAKEHOLDER MANAGEMENT

Inputs

Plan stakeholder management begins with input from the project management plan, stakeholder register, enterprise environmental factors, and organizational process assets. An expert judgment review of the project objectives and stakeholder register determine the level of engagement each stakeholder will require. Experts, such as subject matter experts (SME's), team members with expertise and experience on similar projects, senior management, and other key stakeholders are consulted to review the register against the objectives. Utilization of meetings and analysis techniques identify the level of engagement needed by each stakeholder. Levels of engagement include unaware, resistant, neutral, supportive, and leading. In *Figure 4*, the stakeholder's engagement assessment matrix identifies which stakeholder(s) are currently engaged "C" and which desire engagement "D." The method of communication and frequency of engagement is established based on stakeholder requirements and the judgment of project management.

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Stakeholder 1	C			D	
Stakeholder 2			C	D	
Stakeholder 3				C	D

Figure 4. Stakeholders Engagement Assessment Matrix

Day-to-day routines and phases throughout the project life cycle will create instances where stakeholder engagement requirements change (Achterkamp & Vos, 2007). The

engagement matrix will require review as phases end, and others begin. Monitoring of the project lifecycle will ensure stakeholder engagement is maintained.

Outputs

The stakeholder management plan is created as a result of the stakeholder identification process, assessment of environmental factors, organization assets, and stakeholder engagement determination. The stakeholder management plan is now a part of the project management plan and identifies stakeholder engagement levels, impact, interrelationships, communication requirements, distribution of reports, and method for updating the stakeholder management plan as the project progresses (*Project Management Institute (PMI)*, 2013, p. 403).

Implied Importance

Stakeholders are any organizations or individuals that affect or are affected by the project (Turkulainen, 2015, p. 76). The implied importance of plan stakeholder management is that any project, whether it be a product or service, will be affected by, or affect, the end user or stakeholder. Example: Decisions by a homeowner, during a kitchen remodel, will impact the ultimate deliverable, and the ultimate deliverable will impact the contractor performing the upgrade. The importance of a stakeholder management plan is that it supports the project schedule through the successful engagement and control of each stakeholder. Positive control is necessary to support the successful completion of each project deliverable, and ultimately the product or service in question.

MANAGE STAKEHOLDER ENGAGEMENT

Overview

Stakeholder engagement can be defined, in very general terms, as the process of involving individuals or groups that either affect or are affected by activities of the company (Stone, 2009, p. 26). Engaging stakeholders is an essential part of the process to ensure continued customer commitment, clarification and resolution of issues and project goals are met. In *Figure 5*, The process takes inputs from the stakeholder and communication management plans, change log, and organizational assets, utilizes various communication methods, and interpersonal and management skills to generate outputs such as the issue log, change requests, and updates to the project management plan, project documents, and organizational processes.

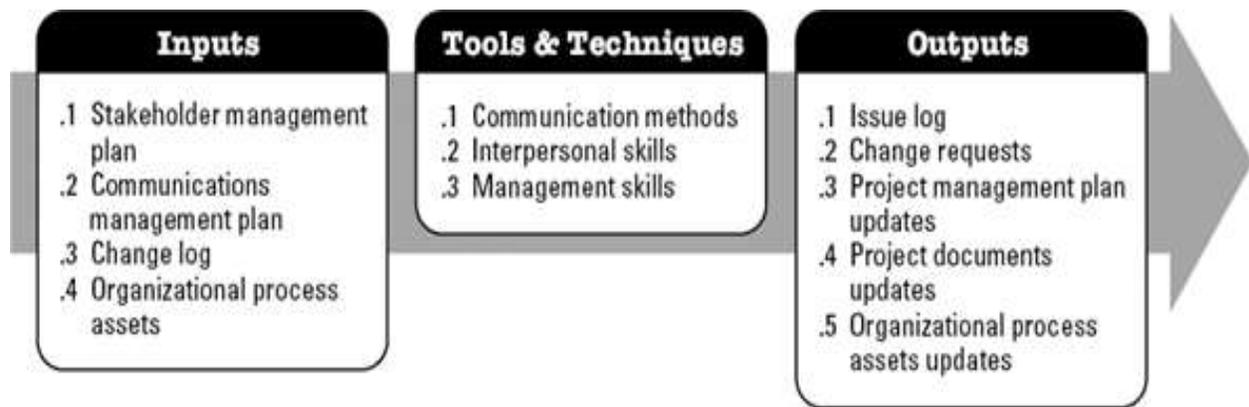


Figure 5. Manage Stakeholder Engagement Process Overview

Inputs

The stakeholder identification process laid the foundation for the inputs for the engagement process. Previously established stakeholder communication requirements, methods of communication, organizational requirements, and the change log provide the foundation for the engagement process.

Tools & Techniques

Stakeholder communication methods and interpersonal skills ensure effective engagement of different stakeholders and play a fundamental role in project success. Effect use

of various techniques is required to meet stakeholder communication needs and allows the person(s) conveying the information to do so effectively.

Communication Methods

Methods of communication vary from face-to-face (FTF) to virtual meeting rooms such as SLACK and DropBox. Face-to-face communication includes both formal and informal methods. The method of communication is decided upon by the stakeholder and project manager, as a result of the stakeholder analysis, but the project manager ultimately decides how and when these methods are used (*Project Management Institute (PMI)*, 2013, p. 407). Strong communication skills are critical to success (Dow & Taylor, 2015, Pg. 64).

Interpersonal & Management Skills

Project managers begin stakeholder relationships as strangers, yet must develop the level of trust that will ease stakeholder reservations concerning the expenditure of funds and use of time. As a result, managers must find a way to build trust, be able to resolve issues, actively listen and overcome the natural resistance to change. The establishment of trust is only the first part of the equation; project managers must also manage control of team support and belief in the project, as well as build support for the project objectives. If stakeholder support fails to support the project, the ability to deliver the expectation will fail.

Outputs

The result of the stakeholder engagement may result in the issuance of change requests, and updates to the project management plan, documents, and processes. Should changes, updates, or issues arise, all affected stakeholders must be notified to help determine the path to resolution and ensure their continued dedication to the project process. In the case of Project management plan updates are necessary, re-identification of stakeholder requirements,

communication needs, methods, and project influence must be updated to ensure stakeholder involvement and impact are properly reflected. Managing stakeholder engagement is the first part of a two-part process; the second part is controlling engagement to ensure project support and success.

CONTROL STAKEHOLDER ENGAGEMENT

Overview

Control Stakeholder engagement is a process whereby stakeholder relationships, strategies, and plans are created to maintain or increase the efficiency and effectiveness of the engagement process (*Project Management Institute (PMI), 2013, p. 409*). In *Figure 6*, Inputs from the project management plan, issue log, work performance, and project documents such as the schedule and stakeholder register are analyzed through expert judgment and meetings to determine the best course of action. Once the course of action has been determined, buy-in by the stakeholders is essential in stakeholder engagement.

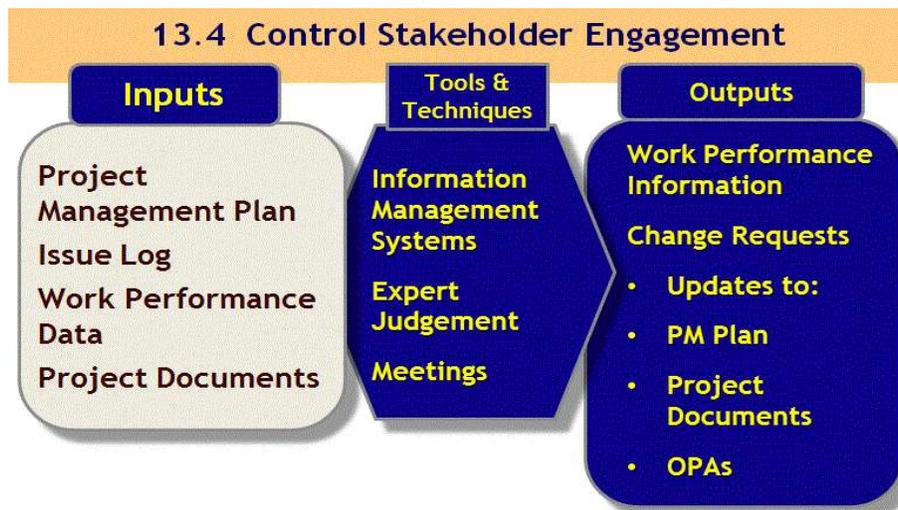


Figure 6. Control Stakeholder Engagement: Inputs, Tools & Techniques, and Outputs

Inputs

Control stakeholder management takes inputs from the Project Management Plan, Work Performance Data, Project Documents, and Manage Stakeholder Engagement. Data associated with the project, issue log, work performance (i.e. manpower and cost performance), and documents related to initiation, planning, execution, or control support control of stakeholder engagement. Depending on the data in question, those stakeholders having concern and impact over the data in question are engaged accordingly. Before engagement, expert judgment and information management systems are utilized to evaluate the accuracy and completeness of the data presented.

Tools & Techniques

Expert judgment, in the form of senior leadership, key stakeholders, subject matter experts (SME's), and other various industry groups is consulted to re-evaluate the listing of stakeholders affected and assessment of any additional stakeholders that may be required for the issue or change required.

Outputs

Once any necessary tools & techniques have been utilized, inputs to output performance data, change requests, and updates to the PMP, Project Documents, and Organizational processes may be implemented. It is important to note that this process occurs throughout the project life cycle and is ongoing as phases and deliverables are achieved. The addition to, or deletion of stakeholders, is an ongoing process, as change to various stages of the final deliverable.

Implied Importance

“Management Stakeholder Engagement” and “Control Stakeholder Engagement” are key to the success of any project. Project managers rely upon stakeholders for the accomplishment

of their project, and the importance of positive sustained engagement is critical throughout the project life cycle. An example would be the labor utilization and efficiency report. This reported aspect is a key element is maintaining project the projects timeline and budget. Actively engaging and building collaboration with senior stakeholders, related to source labor, is essential in maintaining project commitment and cost. Should the stakeholder pull back on labor, because of another unknown commitment, it will show in the performance timeline and labor efficiency. Management and control are necessary to support the successful completion of the product or service.

Summary

The stakeholder management process is just that, a process. The process begins when the project concept is first introduced and ends when the final product or service is delivered to the customer. It contains the stakeholder identification, management plan, and the manage and control of stakeholder engagement. The identify stakeholders and plan stakeholder management process is utilized to help identify all stakeholders, their interest in the project, impact on the project process, and the level of communication to be applied to each stakeholder throughout the project life cycle. Management and Control over stakeholder engagement take into consideration that the project process is ongoing and will change as deliverables are completed and issues arise that require resolution. *Figure 7* represents the stakeholder engagement cycle and perfectly illustrates that there is no end, other than when the project has been delivered.



Figure 7. Stakeholder Engagement Cycle

Understanding that projects can and will change require that stakeholders be involved to ensure timely adjustment and implementation of needed changes. As a result, strong and healthy stakeholder relationship and communication plans are essential to help ensure the project expectations and value is maintained. Project Management Institute's (PMI's) decision to add knowledge areas concerning identifying stakeholders and project stakeholder management was an essential addition to the PMBOK® Guide, as the guide is a body of knowledge essential to project management. Also, it is imperative that the stakeholder engagement analysis is reviewed throughout the life cycle process, as milestones are reached, to adjust each stakeholders remaining interest and power over the project process. Doing so will help ensure a clear and concise communications process, as well as a successful project completion.

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