

Unit 6 – Stakeholder management



Unit 6 - Stakeholder management

Learning Objectives

To gain an understanding of stakeholder management and communications including:

- What is a stakeholder
- How stakeholders can be ranked and their expectations analysed
- The use of communication management plan
- Practical ways to address diversity and inclusion

Stakeholder management process

‘Stakeholder’ is the term that refers to individuals or groups who have an interest or role in the project or are impacted by it (APM BoK).

These exist inside and outside the organisation. Some organisations will include the team who plan and deliver the work as stakeholders; others separate their thinking about stakeholders and how to engage and influence them from their thinking about the team and how to lead them to success. Both approaches are valid.

‘Stakeholder engagement’ is the term that refers to the systematic identification, analysis, planning and implementation of actions designed to influence stakeholders (APM BoK).

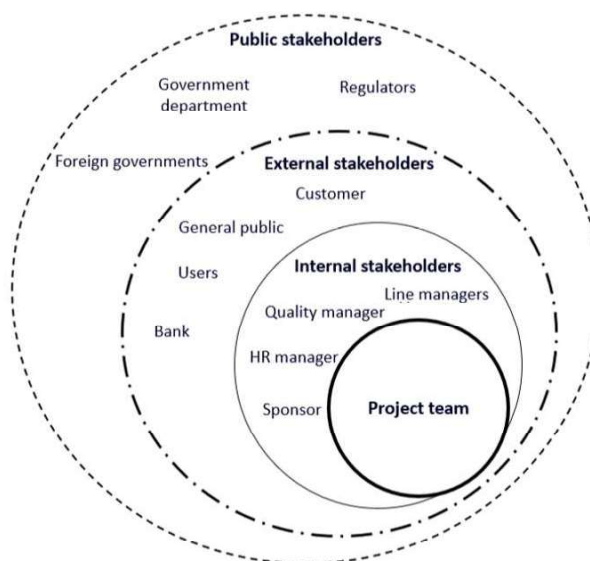
It is also referred to as ‘stakeholder management’. This process is described below

Identifying stakeholders

Stakeholders can be identified by brainstorming and from lessons learned from previous projects. Stakeholder identification (typically in a brainstorming session) should consider those who:

- positively and negatively affected by the project
- have the power to make it succeed (or fail)
- make the decisions about money
- are the suppliers and the end users
- have influence over other stakeholders
- could solve potential problems with the project
- are in charge of assigning or procuring resources or facilities
- have specialist skills which are crucial to the project

One way to show who the identified stakeholders are is to generate a stakeholder map, which shows the various stakeholders and their relationship with the project. An example is shown below:



Analysing stakeholders

Once all of the potential stakeholders have been identified, they need to be analysed – which means placing them in categories.

Classifying the stakeholders is important as some will be more important than others and have more interest than others. This analysis will help to decide on both the content and frequency of the communication with them.

Stakeholders can be allocated into four categories:

High Power/High Interest (Fully engage)

These stakeholders are the ones that need to be engaged regularly and managed closely. These are the key players. This group will require the most effort to keep satisfied. Regular information will be required by them to ensure that they are supportive of the project. This group should be the champions of the project and not allowed to become blockers. The sponsor may need to engage with this group to as they will have more influence than the project manager.

High Power/Low Interest (Keep satisfied)

These stakeholders need to be satisfied by striking a careful balance between keeping them informed, but not overloading them with too much information. It is important to understand what decisions and actions this group can take to ensure that they get the right information at the right time. Communication should be targeted and concise to have the maximum effect.

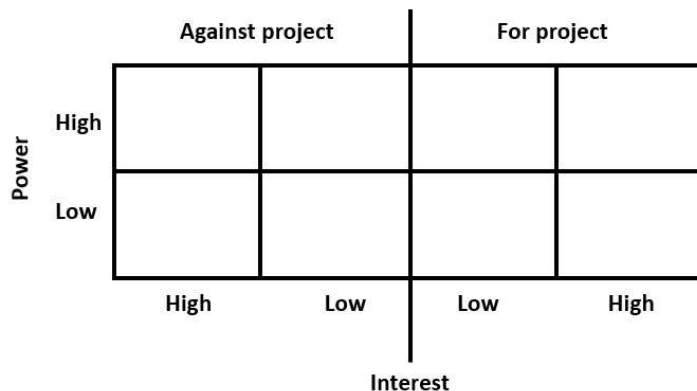
Low Power/High Interest (Keep informed)

These stakeholders must be adequately informed and consulted regarding their area of interest, making sure they do not have any major issues with the project. These stakeholders can often help with the detail of the project. They will potentially require a lot of information to satisfy their interest which can become time consuming to produce. However, their power can increase if they become negative in attitude and high in numbers (e.g. general public).

Low Power/Low Interest (Minimum effort)

These stakeholders need to be kept informed with general information but not overloaded with excessive communication. They should be regularly monitored because they may become more powerful to the project and have a higher interest in it, for example, if they change job roles.

Stakeholders can be mapped using the following grid:



Once stakeholders have been analysed, suitable strategies can be developed to influence them. This might involve raising the interest of some stakeholders and clarifying certain aspects of a project to others. Implementing strategies will always involve some form of communication. This should always be planned so that maximum effectiveness is achieved in terms of:

- content (such as level of detail)
- channel and form (such as email and face to face)
- timing (such as one-off and regular updates)
- the sender of information (such as project manager to sponsor)

Influencing – Once stakeholder positions and views are understood, strategies and plans must be put in place to influence them to improve the chances of achieving objectives. These strategies should:

- use and sustain positive interest; or
- minimise or remove negative interest

This is achieved by understanding stakeholder perspectives and addressing them. Their points of view should be carefully considered as this will help build relationships and create a joint understanding of the issues. The strategies developed are often documented in a communication management plan. To influence stakeholders effectively, project professionals need to have:

- contextual and cultural awareness
- communication skills
- conflict resolution skills

Influence can be achieved through an understanding of inter-stakeholder relationships and the politics that shape those relationships. Stakeholders who support the project can be used to influence those who do not.

Influence can be formal through structured and direct communication but more often it is through informal relationships at a personal level. Engagement of stakeholders should be coordinated across the project and where relevant, across the programme.

There are different ways of influencing that range from 'forcing' to facilitation. The latter demonstrates a willingness to engage and work together.

The importance on managing stakeholder expectations to the success of the project

Stakeholders are likely to have many differing expectations from a project. For example, the final users of the project's output are focused on getting a product that improves their ability to do their job while the project's investors are focused on getting return for their money.

A project's end product or result should meet all of the important needs of the primary stakeholders. And these needs should be carefully spelled out and agreed at the start of a project so that they understand what will be delivered. This will minimise changes to scope and increase likelihood of final product acceptance.

It is highly improbable however, that all their expectations can be met within the timescales and the budget available. It is therefore vital that once the stakeholder's expectations are understood (e.g. through good requirements management), they are managed. This will ensure that everyone understands what will be delivered from an early stage in the project and increases the chances of the project getting support and the outputs accepted at handover.

Stakeholder expectations also need to be managed to ensure that a project gets the support it needs in terms of resources and decisions. Ensuring that resource providers know what to expect in resource demand will allow them to plan and release resources as required.

Stakeholders also have expectations about their involvement in a project and what information they will receive by way of reports and updates. They may not realise how much time they are expected to contribute to a project (e.g. project board meetings, design review etc) and therefore may not be available when required. In addition, if they expect weekly updates and do not get them, they may take up a project managers valuable time asking questions and arranging meetings.

Communication management plan

One way to improve the efficiency and effectiveness of communication in a project context is through the use of a communication management plan.

A communication management plan is a document that identifies what information is to be communicated to whom, why, when, where, how, through which medium and the desired impact (APM BoK).

It forms part of the integrated project execution plan (PEP).

The purpose of a communications management plan is to define the communication requirements for a project. It will normally be created by a project manager during the definition phase of a project. It should include both internal and external stakeholders and be regularly updated based on feedback on the effectiveness of the communication.

The benefits of a communication management plan include:

- It documents expectations. The plan acts as an agreement between stakeholders that they understand the communication requirements of both parties. This will facilitate working together to attain project goals.
- It makes communication easier. Determining which channels are used (e.g. email and phone calls), and how you will use them, will streamline project communication management across your team. For example, noting how to access shared files to cut down on email requests for information.
- It enables tailoring communication to suit stakeholder needs. The plan should be based on their needs and preferences which will facilitate engagement. For example, a client may prefer a personal phone call to give them an update while the quality manager may prefer a detailed written report.
- It increases the effectiveness of communication. Getting a message to the right person at the right time in the right way means that it is more likely to be received, understood and acted upon. An example is getting updated technical data to a supplier in time for them to stay on schedule.

Communication plan example

Description	Timing	Method	Audience	Impact desired	Responsibility	Feedback
Project team meeting	Daily	Face-to-Face Meeting	Project team	Focus on priority tasks	Project manager	PM to regularly check team activities
Stakeholder update	Monthly	E-mail newsletter	Stakeholders	Continued support	Project manager	Questionnaire
Board meeting update	Every two weeks	Face-to-Face Meeting	Project board	Provision of resources	Project manager	Number of questions asked
Quality statistics	Monthly	Report	Operations manager	Improved quality results	Quality manager	Failure incidents reduce
Sales force update	Three months before product launch	Workshop and brochure	Sales team	Promote new product to customers	Chief engineer	Feedback from customers

Addressing diversity and inclusion

Studies have shown that feeling more included, for instance, boosts productivity, while having an ambition to reach leadership is important to advancing in an organisation.

The following ways can promote diversity and inclusion in a project environment:

1. Be aware of unconscious bias. Building awareness is a first step towards real change. Educate team members by helping them to understand how individuals are impacted by unconscious bias, and what actions continue to reinforce unconscious bias.
One way to build awareness and address unconscious bias is to encourage every employee to review, question and analyse their own personal potential biases and assumptions.
2. Communicate the importance of managing bias
While awareness is a first step, employees need tools and training that provide guidance on actions for moving forward.
3. Acknowledge holidays of all cultures. One way to build awareness of diversity and foster greater inclusivity is to be aware of and acknowledge a variety of upcoming religious and cultural holidays. When closing out a team call or meeting, if the audience is not too large, ask how people plan to celebrate the holiday. Be respectful of these days when scheduling meetings and understand that employees may have different needs and require flexibility.
4. Make it easy for people to participate in meetings. Ensure they are a safe environment where all views and questions are taken seriously. Consider ways to engage everyone in a non-threatening manner.
5. Be aware of those who work different hours or have family commitments such as childcare issues. Schedule meetings so that they do not feel under pressure when meetings run over the planned time.
6. Get to know and value one another. Understanding is the key to being inclusive.

Learning Objectives

You should now have an understanding of stakeholder management and communications including:

- What is a stakeholder
- How stakeholders can be ranked and their expectations analysed
- The use of communication management plan
- Practical ways to address diversity and inclusion