

# STAKEHOLDERS MANAGEMENT ISSUES AND LEADERSHIP IN PROJECT MANAGEMENT: THE WAY FORWARD

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### Abstract

This article examines the roles of a project manager leadership in tackling project stakeholders' management issues in the aim to deliver a successful project. It argues that while it is indeed delivering an outstanding project is a big challenge, but perception of project success varies from stakeholder to another. Therefore, a lack of deep stakeholders' analysis "identification, prioritization, and interest assessment" will lead to divergence among stakeholders' perception of project success criteria and project success in general. Project manager leadership qualities and traits play a key role in accurately nailing down the project stakeholders' web to enhance the effectiveness of cooperation, collaboration, consultation, and communicating with the different project stakeholders in the aim to shape their expectations and consolidate a common project success criteria list.

**Keyword** Leadership Qualities and Traits, Project Leadership, Project Stakeholder Analysis, Project Stakeholders' Management, Project Success Criteria

## i. Introduction

Most of the people take success and failure as an absolute, but they are actually relative matters. In the project management field, we commonly agreed that when a project is completely done according to the required specifications, within the given time and budget as a successful project "iron triangle". Although this is an old view of project success; however, some projects are done either overtime or over budget but still considered as a successful project. For instance, from a project management perspective, Sydney opera house project was a failure because it was over time and budget. Nonetheless, in terms of project success, it was a success because it is an engineering master piece (Baccarini, 1999; Munns & Bjeirmi, 1996). By contrast, some projects are done within time, budget, and scope but still considered as a failure. For instance, from a project management perspective, Heathrow Terminal 5 was a success because it was done within time, cost, and scope. However, in terms of project success, it was a failure because of flights cancellations due to the problem in the baggage system (Brady and Davies, 2009, 2010a, 2010b) which angered and dissatisfied the passengers, flight companies, and the airport staffs. Stakeholders are paramount input in any project; therefore, the project managers should build cooperative relationships among different groups of people to complete projects. Because project success doesn't just depend on the performance of the project team, success or failure often depends on the contributions of top management, functional managers, customers, suppliers, contractors, and others. This research stems from the lack of research about project leadership and its vital role in managing project stakeholders and delivering successful projects. This paper begins with going over the literature review on the evolution of project success for the last 40 years and how it is perceived by different project stakeholders, followed by a project stakeholders' analysis: "identification, prioritization, and interest assessment." Finally, the paper will suggest how adequate leadership qualities and traits can decrease a project failure rate by a better project stakeholders' management.

## ii. Project Success "Interpretation Development Through Time"

Literature review about project success comes in droves. Jugdev and Müller (2005) developed a retrospective look at the evolving understanding of project success from 1970s to present in which they focused on the evolution of project success definition during the project and the product life cycle. Davis, K. (2014) built on Jugdev and Müller framework but on emphasizing more on stakeholders' involvement and success factors from 1970s to now as follows:

### 2.1 1970s

Project success literature emphasized on the technical dimension of the project management process. The iron triangle "time, cost, and specifications" were the main yardstick to assess project success (Atkinson, 1999; Cooke-Davies, 1990) and mainly used during the project implementation phase because it is the longest phase, and it consumes most of the project resources (Lim and Mohamed, 1999). By contrast, the communication with customers was minimal (Jugdev and Müller, 2005), thus, the project success literature during this period lacked to emphasize the socio-cultural dimension of project management process "soft skills" (Munns and Bjeirmi, 1996).

### 2.2 1980s-1990s

The literature review during this period has seen the focus on the development of Critical Success Factor list "CSFs". Kerzner (1987) defined CSFs as required elements needed to create an environment where things must go right and the projects are managed consistently with excellence. For instance, executive commitments, experienced project manager with adequate leadership skills, stakeholders' involvement is crucial elements to create an environment where the projects will be successful.

Pinto and Slevin (1987) project CSFs included project mission, top management support, schedule and plans, client consultation, personnel, technical tasks, client acceptance, monitoring and feedback, communication, trouble-shooting.

In Kerzner research as well as in Pinto and Slevin, we can easily deduct that effective consultation and communication with stakeholders is becoming a paramount factor for project success, as Morris and Hough (1987) argued that project success is strongly linked to stakeholder involvement and their perception of project success on one hand, and on the other hand, it is linked to the different project time period when the success is assessed. Nonetheless, the CSFs were just listed down without categorization, and lacking of an applicable framework. Therefore, the next period will see that researchers were more focused on creating a workable/usable CSFs framework.

### **2.3 1990s-2000s**

This period has seen the development of CSF frameworks, which stressed the importance of internal and external stakeholders on the project success (Lester, 1998). Unfortunately, frameworks created in this period were built upon the previous researchers by just categorizing the old CSFs without adding relevant up-to-date SFs. For instance, Morris and Hough (1987) CSF framework were a source of inspiration for a slew of scholars. Belassi and Tukul (1996) created a similar framework but categorized the CSFs and linked them to the different internal and external stakeholders. On the other hand, Turner (1999) developed a similar framework; he rose up the question of whether success factors are static or dynamic that changed over time.

### **2.4 21st century**

The 21st century has seen so far the recognition of the importance of stakeholders' roles in delivering successful projects, but mainly focusing on the roles of owners and sponsors. However, the vast majority of the scholars did not differentiate between owner role and sponsor role, and they considered them as interchangeable terms (Jugdev and Müller, 2005). Nonetheless, Turner and Zolin (2012) distinguished between owner role and sponsor role in which the owner main role is at the beginning of the project, by contrast the sponsor has pre, during, and post projects role. Therefore, project success is linked to how actively project sponsor communicates with the project manager throughout the project (Turner, J.R., & Müller, R.2003).Turner et al. (2009) averred that the perceptions of the multiple project stakeholders should be taken as an important factor in assessing project success. Moreover, they defined or identified the different project stakeholders as "the investor or owner, the consumers, the operators or users, the project sponsor or project executive, the senior supplier, the project manager and project team, other suppliers and the public"

21<sup>st</sup> century project manager tasks have evolved from not just only managing the sensible trade-off between time, cost, and scope, but it goes as far as managing the different project stakeholders in the aim to deliver a successful project.

## **iii. Project Stakeholders' Management Issues**

### **3.1 Project Stakeholder Definition & Classification**

Nowadays, in the project management field, it is common knowledge that not taking stakeholders' interest into consideration will lead to project failure. Therefore, the project manager should identify, prioritize, and assess project stakeholders' interest in the aim to deliver a successful project. Thus, as a starting point, we will go over some stakeholder definition. For instance, Freeman (1984) stated "...a stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization's objectives...". We find almost similar definition in ISO (the International Organization for Standardization) in ISO/DIS 21500 guidance on project management, in which stakeholder is defined as: "person or organization that can affect, be affected by, or perceive themselves to be affected by any aspect of the project," and also in PMBOK Guide 5th edition (Project Management Body of Knowledge), "a stakeholder is an individual, group or organization that may affect, be affected by, or perceive itself to be affected by a decision, activity or outcome of the project."

The scope of these project stakeholder definitions is somewhat similar and broad, finer-grained categorizations will help the project manager as well as the project team to identify the interested entities: internal/external, positive/negative, performing/advising.....

Stakeholder classification models came in droves in the literature, but the prevailing one is the salience model of Mitchell et al. (1997). This model used three attribute “power, legitimacy, and urgency” to determine how a manager prioritizes the competing stakeholder claims. For instance, a stakeholder who has a legitimate claim, which needs an immediate action, and he has the power to persuade other stakeholders and affect the organization’ activities. This stakeholder claim is the top priority of the manager and his team.

- Power in the salience model is defined as the relation among stakeholders in which one stakeholder persuades another one to act in a way he would not have otherwise done as well as the ability to withdraw resources from the organization. Mitchell et al. (1997) propose three different bases of power:
  - ✓ Coercive: based on force or threat.
  - ✓ Utilitarian: based on material or incentives.
  - ✓ Normative: based on symbolic influences.
- Legitimacy in the salience model is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (Suchman, 1995)
- Urgency in the salience model is defined as “the degree to which stakeholder claims call for immediate attention”

Managers do perceive stakeholders groups differently, and salience model can help a manager to classify and prioritize them in the aim to determine the project requirements and expectations of all the parties involved and setting up strategies to deal with stakeholders’ claims.

### 3.2 Project Stakeholder Analysis Methods

We will first give some definitions of stakeholder analysis. Mushove and Vogel (2005) defined stakeholder analysis as: “a range of tools or an approach for understanding a system by identifying the key actors or stakeholders based on their attributes, interrelationships and assessing their respective interests related to the system, issue or resource.” Jepsen and Eskerod (2008) also provide a close definition for stakeholder analysis: “identification of stakeholders; characterization of the stakeholders; decision about which strategy to use to influence each stakeholder”

there is a similarity between the different project stakeholders’ analysis definitions given by the many scholars. For instance, stakeholders’ identification, to determine their interests, and to assess their impact on the project and develop adequate strategies to deal with it are issues covered by nearly all the definitions. However, there is still a divergence because some scholars consider at stakeholder analysis as a process, while others consider at it as an approach.

The major issue in stakeholder analysis methods is a clear classification of these different methods, (Rebecca Jing Yang, 2013) categorize them into two analytical perspectives: empiricism and rationalism:

- Empiricism advocates who knowledge is posteriori, and only throughout experience that it will be acquired. In a nutshell; stakeholder analysis is done according to core stakeholders’ experience. Empiricism assumes that the small group of core stakeholders has a central position which links them directly to the different stakeholders; therefore, they will be always capable of choosing the optimal solution by using the mass information about other stakeholders, and their interests collected throughout the network. Project stakeholder circle methodology is an empiricism method developed by Bourne (2005), it helps project team and core stakeholders by using their professional knowledge and previous experience not only to identify and prioritize stakeholders, but also to set up an adequate strategy and effective communication plan to guarantee that the different entities’ expectations are well understood and managed in the aim to deliver a successful project.
- By contrast, rationalism advocates that knowledge is priori, and its acquisition is not linked to experience. In a nutshell, stakeholder analysis is done not only by the core stakeholders as in the empiricism method, but all the stakeholders are involved in it, and the final decision will reflect the real relationship between the different stakeholders and their interests.

Project stakeholder social network analysis is a rationalism method that helps to identify and prioritize stakeholders by: determining the network boundary by listing down all the stakeholders and mapping the relationships between them, visualizing the network by using one of the slew of available social network analysis software, finally presenting the analysis results.

From stakeholder analysis methods, we can easily deduct that identifying stakeholders, prioritizing them, and setting up effective strategy to deal with their claims is not an easy task. Therefore, the project managers do not only need technical skills, but they also need leadership skills to manage people and deliver successful projects.

#### iv. Project Leadership

The term project leadership has been mentioned in a lot of publications in the project management field, unfortunately there is no clear complete definition agreed upon it. Even in the project management body of knowledge PMBOK 5th which is considered as a bible in the field of project management, there is a lack of interest on project leadership. Nonetheless, in PMBOK 4th edition, in appendix G “interpersonal skills” there is a general definition about leadership not specifically about the term project leadership: “Leadership involves focusing the efforts of a group of people toward a common goal and enabling them to work as a team. In a nutshell, leadership is the ability to get things done through others.” We can deduct that this definition is more focus on the project team leaders’ responsibility in establishing a vision, convey it / sell it to the team members, fostering trust and team building; influencing, mentoring, and monitoring; and evaluating the performance of the team and the project. In leadership literature, there are plenty other definition of leadership. Peter F. Drucker (1985) defined leadership as “the lifting of people’s vision to a higher sight, the raising of their performance to a higher standard, the building of their personality beyond its normal limitations.” Jack Welch (2001) argued that leaders are people “who inspire with clear vision of how things can be done better” From the previous definitions of leadership; we can easily deduct that there is an apparent emphasis on the leaders ‘vision and how they sell it/convey it to their followers. Therefore, the leaders should possess particular qualities and accomplish specific tasks in the aim to accomplish that.

#### 4.1 Project Leadership Qualities & Tasks

In the general literature review about leadership; the scholars listed down somewhat different qualities and tasks that a person needs to become a leader. In our research, and according to amputee-coalition, we will go over the important characteristics and traits which are commonly found in the great leaders:

- Passion: Generally, leaders have a passion for a cause that is larger than they are; they do have dreams in which they play a key role in making this world a better place. And this is happening throughout rallying their followers to make their dreams a reality.
- Vision: it is a future orientation that gives breathe life into the mental image which represents that passionate dream.
- Confidence and humility: Leaders have confidence in their vision, yet enough humility to learn from others.
- Values: leaders share the same values and principles with their team members, which shape the organization’ culture "respect, empathy, support, encouragement and so on"
- Creativity: Leaders think “outside the box” and they have the courage to try something new or completely different “they dare to try and come up with something innovative"
- Intellect and knowledge: Leaders are perpetual students who learn from books, drawing lessons from their previous mistakes, and listening to other’s ideas and propositions to solve problems.
- Communication skills: Leaders speak and write in ways that encourage others to follow.
- Interpersonal skills: leaders have the ability to listen very carefully to their followers, solve any conflict that rises up, and steering the groups toward a common vision. Leaders also have many tasks that include supporting, motivating, supervising, delegating, empowering, and rewarding

## 4.2 Relationship of Project Leadership & Project Success

In the project management field; project leader is the one who has a clear project vision, and communicates it to the project team members in the aim to deliver a successful project. The key ingredients of effective project leadership leading to success have been portrayed graphically as shown in Figure 1 (Adapted from Hellregal, D.Slocum, J.W., Jr. & Woodman, R. W.)



**Figure 1 Major Project Leadership Skills**

As we can see in the figure 1, effective project leaders have a clear vision, and they possess great communication skills to convey their vision to the team members. They use distinctive strategies “telling, selling, gelling, and assigning tasks” that cope with different phases of team development “forming, storming, norming, and performing” and influence them to accomplish the tasks assigned to them by empowering them and giving them green light to come up with new ways, ideas, solutions.

Projects are implemented in volatile environment, which needs a leader who can make crucial decisions to move toward a new direction. Thus, in project, often things don’t go according to the plan which can create a conflict between stakeholders. Therefore, leaders use their communication skills and empower their team members as well as other stakeholders to help them in listing down all the stakeholders and assessing their interest in the project, thereafter using their influence and communications skills in conveying and selling the project vision to them, shaping their expectations and attuning the different success criteria lists. Meanwhile, leaders should strategize by always using effective communication, cooperation, collaboration, consultation in the aim to satisfy the project stakeholders and deliver a successful project.

### v. Conclusion: The Remedy & The Way Forward

Projects are done by people not by plans, and they are implemented in dynamic environment. Thus, very often things happened unexpectedly and unpredictably, therefore, there is a real need of project leaders who can manage tasks as well as people. Concerning tasks, project leaders should be, on one hand steadfast and firm in taking decision, and on

another hand flexible enough to steer from one direction toward another one.

By contrast, managing people is not a child's play. Leaders should create the project vision and use their versatile interpersonal skills "communicating, influencing, strategizing, empowering..." to convey and sell this vision to the different stakeholders.

Project leaders should be a social architect who has the ability to list down the project stakeholders and understands the interaction between them, assess their vest interests in the project and try to shape it, and set up adequate strategies to attune all the project stakeholders' dissimilar success criteria over the life time of the project in the aim to consolidate a common project success criteria list, satisfy the stakeholders, and deliver a successful project.

This research has many limitations, for instance, it didn't propose a workable or applicable leadership/stakeholder framework that could be used in dealing with project stakeholders in the real projects. Therefore, there is a need for more empirical research concerning the different roles of project leadership in managing project stakeholders and delivering successful projects.

Nonetheless, this article stresses that there is an apparent lack of interest concerning project leadership. For instance, International Organization for Standardization released the first guidance on project management ISO/DIS 21500, but it didn't include project leadership, as well as for Project Management Institute, which is nonprofit professional organization that releases almost every four years a Standard Guide to the Project Management Body of Knowledge (PMBOK) which is considered as a bible in the project management field, yet it does not include project leadership as knowledge area in its last edition "5th edition". However, it added project stakeholder as new knowledge area, which was not in the previous edition "4th edition". This topic could be a starting point for future research to induce and urge different international project management organization to include project leadership as knowledge area and focus more on empiric research to come up with workable and applicable frameworks.

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