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Key Stakeholders in Projects - Research Results = Kluczowi interesariusze w projektach - wyniki badań

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KEY STAKEHOLDERS IN PROJECTS – RESEARCH RESULTS / Kluczowi interesariusze w projektach – wyniki badań

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STRESZCZENIE

Świadomi i zaangażowani interesariusze są niezbędni do skutecznego wdrożenia zmiany związanej z projektem. Można zatem stwierdzić, że umiejętne angażowanie interesariuszy jest jednym z kluczowych czynników sukcesu w zarządzaniu projektami.

W obliczu stale rosnącego znaczenia projektów dla organizacji i gospodarki, określanego mianem projektacji (ang. *projectification*) kompetencje w zakresie kształtowania i środowiska społecznego projektów stają się obiektem zainteresowania zarówno badaczy jak i praktyków zarządzania. Bardzo ważne jest również skupienie się na kluczowych interesariuszach. Z tego względu podjęcie badań w tym obszarze jest celowe i uzasadnione – zarówno ze względów naukowych jak i praktycznych.

Prezentowany artykuł stanowi podsumowanie badań realizowanych w latach 2016-2017 w organizacjach realizujących projekty w Polsce. Zaprezentowano podstawowe zagadnienia dotyczące kluczowych interesariuszy w projektach. Przedstawiono kluczowe wnioski z badań.

SŁOWA KLUCZOWE: ZARZĄDZANIE PROJEKTAMI, ZARZĄDZANIE INTERESARIUSZAMI, ŚRODOWISKO PROJEKTU, WYNIKI BADAŃ, NAJLEPSZE PRAKTYKI, DOSKONALENIE W ZARZĄDZANIU PROJEKTAMI

JEL CLASSIFICATION: M10

ABSTRACT

Conscious and engaged stakeholders are necessary to effectively make a change connected with the project. Therefore, it can be stated that stakeholders' competent engagement is one of the key factors of success in project management.

In the face of the continuously increasing importance of projects for organisation and economy, called projectification, competence in shaping and a social environment of projects is becoming an object of interest of both researchers, and practitioners of management. It is also very important to focus on key stakeholders. For this reason, undertaking research in this area is intentional and reasoned – both for scientific, and practical reasons.

This paper summarizes the research carried out in 2016-2017 in organisations carrying out projects in Poland. Some basic topic concerning key project stakeholders have been presented. Key findings have been shown.

KEY WORDS: PROJECT MANAGEMENT, STAKEHOLDER MANAGEMENT, PROJECT ENVIRONMENT, RESEARCH RESULTS, BEST PRACTICES, PROJECT EXCELLENCE

1. INTRODUCTION

Projects, irrespective of their nature, are always carried out in a specific social environment. The environment includes diverse entities called stakeholders that in different ways have an influence on a project and the team managing it and/or are subject to the influence of project and its results. Conscious and

engaged stakeholders are necessary to effectively make a change connected with the project. Therefore, it can be stated that stakeholders' competent engagement is one of the key factors of success in project management (Chaos Report 2015).

In the face of the continuously increasing importance of projects for organisation and economy, called projecti-

fication (Midler Ch., 1995), competence in shaping and a social environment of projects is becoming an object of interest of both researchers, and practitioners of management. It is also very important to focus on key stakeholders. For this reason, undertaking research in this area is intentional and reasoned – both for scientific, and practical reasons.

The presented article is a summary of the research carried out in 2016-2017 in organisations carrying out projects in Poland. The main goal of research was to determine, which stakeholders are perceived as “the key one” in various organizations and from various perspectives of management.

2. PROJECT STAKEHOLDERS – THE ESSENCE OF TOPIC

The Polish term “interesariusze” is a translation of the English term *stakeholders* that derives from the verb *to have a stake in* - i.e. to mean to have an interest in something. This problem started to appear in the context of management sciences in 1960s. However, the concept of stakeholders in the theory and practice of management became widespread in the early 1980s because of R. E. Freeman and D. Reed. They formulated the term *stakeholders* (translated into Polish as *interesariusze* or “mający interes w czymś” (“having an interest in something”)) and suggested two attitudes towards its definition – a narrow and broad one. In the narrow perspective, they described stakeholders as a defined group or entities on which an organisation survival depends. The broad perspective includes a group or entities which can have an influence on an organisation’s aims and/or be subject to the influence of its operations (Freeman, Reed, 1983)

A similar, but more precise definition of this term can be found in the European Commission documents. It describes stakeholders as “groups or people, institutions or companies which can have a considerable interest in a project’s success or failure” (Aid delivery methods, 2004). By transposing this concept to project management, it can therefore in the analogous manner be said about a project stakeholders, i.e. people or groups of people that can have an influence on or be subject to the influence of a project. This means that the team managing the project has to take specific actions towards the stakeholders the purpose of which is to enhance chances for the project’s success. These actions are called stakeholder management or stakeholder engagement. In the

Figure, an outline of a stakeholder engagement process is shown.

Figure 1. Outline of Stakeholder Engagement Process in Projects



Source: prepared by the author

Stage 1 (stakeholder identification) consists in identification of all stakeholders who potentially may create a project environment. Tables with a list of stakeholders or maps of stakeholders are the most often created graphically showing a project environment with the division into appropriate categories.

Stage 2 (analysis and assessment) includes in its scope defining stakeholders’ essential characteristics, such as their strengths and weaknesses, expectations towards a project, opportunities to articulate and enforce their interests. Based on this, the stakeholders are prioritized. It is advisable to review completed project analyses which can be a valuable source of information about the stakeholders and good practices which may turn out to be helpful especially at this stage of the process.

Stage 3 (preparation of engagement plans) is drawing up an action plan for each stakeholder who was considered to be essential during the analysis and assessment phase aimed at engaging them in a project in such a way that will enhance a chance for the project’s success. In principle, several main stakeholder engagement strategies are taken into account. The most important ones are: blocking, informing, engaging in the project, consulting, ignoring, monitoring. Under preparation of the plan, it is also necessary to determine responsibility for its implementation.

Stage 4 (engagement process organisation) consists above all in assessing the team’s potential and determining the possibility of plan implementation. Based on this, a decision to increase the team members’ specific competences, to prepare reserves for task implementation with regard to stakeholders can be made.

Stage 5 (stakeholder engagement) includes all economically justified actions that are necessary to trigger off and maintain the stakeholders’ specific attitudes and behaviour towards a project. The main tool for stakeholder engagement is a communication plan. Project experiences should be gathered on an ongoing basis so that they can be support in future projects.

Stage 6 (evaluation and continuous improvement) – after the completion of a project, project experiences should be gathered and the stakeholder engagement process evaluated. Conclusions from the evaluation should be used to streamline the process as a whole, and its individual elements. In particular, the accuracy of stakeholder analysis, the effectiveness of strategies used in relation to individual groups and contractors’ competence level are evaluated.

Therefore, according to the outline shown in Fig. 1, the stakeholder engagement process should be started with their proper identification and definition. But the main problem is – which stakeholders are most important? In most cases, we can identify dozens of stakeholders for project. But we cannot manage and engage all of them. Thus, project team has to determine key stakeholders – those, who are most important and require most attention.

Topics related to key stakeholders have been discussed widely in literature (Freeman, Reed, 1983; Beringer, Jonas, Kock. 2013; Bourne, Walker, 2005;). Generally, key stakeholders can be defined as those, who have the biggest potential and real influence on project, the greatest strength and possibility to articulate their interests. Following figures present possible stakeholder maps with highlighted place of key stakeholders.

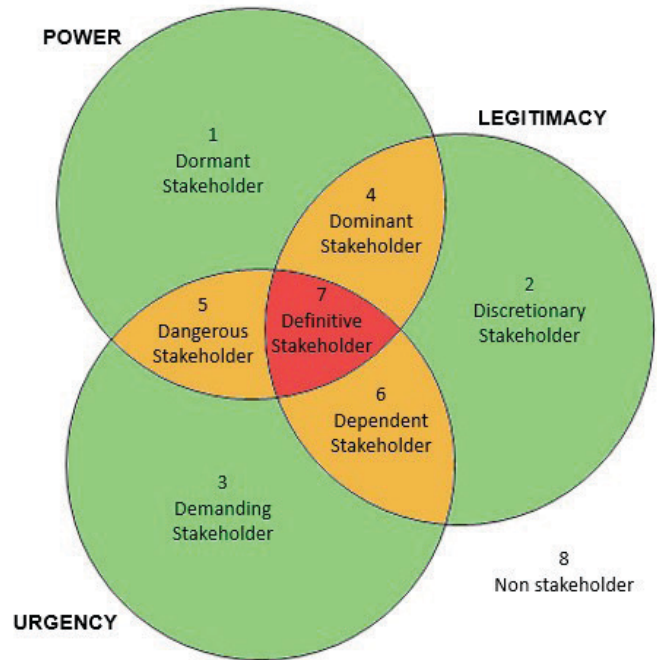
Table 1. Example of stakeholders classification

Power of influence	large	Potentially active stakeholders	Key stakeholders
	Small	Marginal stakeholders	Affective stakeholders
		small	large
Degree of engagement			

Source: Thiry (2007: 208-209)

More extensive classification methods are also possible, taking into account more than two dimensions of the analysis. One of the most commonly used tools is the one proposed by R. K. Mitchell. It has been presented in figure 2.

Figure 2. R. K. Mitchell Stakeholder Classification



Source: Mitchell, Agle, Wood (1997: 874)

In the forthcoming part of the article, the results of research concerning the key stakeholders in the researched organisations are shown. Respondents were asked to define what groups of stakeholders are the most important in their projects. Key findings have been presented.

3. EMPIRICAL RESEARCH RESULTS

The main goal of research was to define, how people engaged in project management in organization perceive importance of defined stakeholders in their project work (i.e. – which of them perceive as key stakeholders). Respondents were asked to indicate five most important stakeholders, indicating their place in hierarchy (1st, 2nd, 3rd, 4th, 5th).

3.1. RESEARCH SAMPLE DESCRIPTION

The research was carried out on a sample of 125 people in 2016-2017. The group was quasirandom. First, it was impossible to define population of organizations engaged in projects in Poland. Second, respondents were

drawn randomly in regard to sector, size of organization, role in company. CATI and direct questionnaire method was used.

In the table, the structure of a group of respondents from the perspective of a position in an organisation's hierarchy is shown.

Table 2. Respondents' Position in an Organisation's Hierarchy

Role	Percentage
Project manager	28%
Project team member	27%
Team manager	18%
Functional manager	17%
Operation staff	7%
Executive management	3%
Total	100%

Source: prepared by the author

People directly engaged in projects, i.e. project and team managers as well as project team members (more than 70% of the respondents) were a dominant group.

The table shows the number of answers for individual sectors of business:

Table 3. Sector of Business of the Researched Organisations

Sector	Percentage
General construction	21.6%
Industrial construction	10.4%
Services for the population	8.8%
IT	5.6%
Telecommunications	5.6%
Consulting	4.8%
Pharmaceutical	4.0%
Electric/electronic industry	4.0%
Machine industry	4.0%
Financial services	4.0%
Energy production and distribution	3.2%
Technological	3.2%
Automotive industry	2.4%
Transport and logistics	2.4%
Insurance	2.4%
other	12.8%
Total	100%

Source: prepared by the author

In the next table, a description of the researched organisation from the point of view of the number of people employed is shown.

Table 4. The Number of People Employed in the Researched Organisations

Number of People Employed	Percentage
50-300	26,8%
1001-5000	22%
More than 5000	19,5%
Less than 50	17,1%
300-1000	14,6%
Total	100%

Source: prepared by the author

As it can be seen in the table shown, none of the groups dominates in the sample due to the rate of employment.

The researched organisations are also described from the perspective of the location where the central office is based and the range of operations. The results are shown in the following tables.

Table 5. The Location where the Central Office of the Researched Organisations is Based

Location of Central Office	Percentage
Poland	61,6%
EU	24%
Outside EU	14,4%
Total	100%

Source: prepared by the author

The substantial majority, more than 60% of the researched companies, is based in Poland. In the next table, the range of operations of the study organisations is shown.

Table 6. The Range of Operations of the Study Organisations

The Range of Operations	Percentage
Domestic and international	54,80%
Domestic	33,10%
International	12,10%
Total	100%

Source: prepared by the author

More than half of the researched companies operates both on the Polish, and international market. On the other hand, almost one third – operates on the Polish market only.

In the next tables, a description of the researched organisations from the point of view of types of projects carried out is shown.

Table 7. A Type of Projects Carried out in the Researched Organisations

A Type of Projects Carried out	Percentage
Investment	54,80%
R&D	14,50%
IT	10,50%
Organizational	8,90%
other	11,30%
Total	100%

Source: prepared by the author

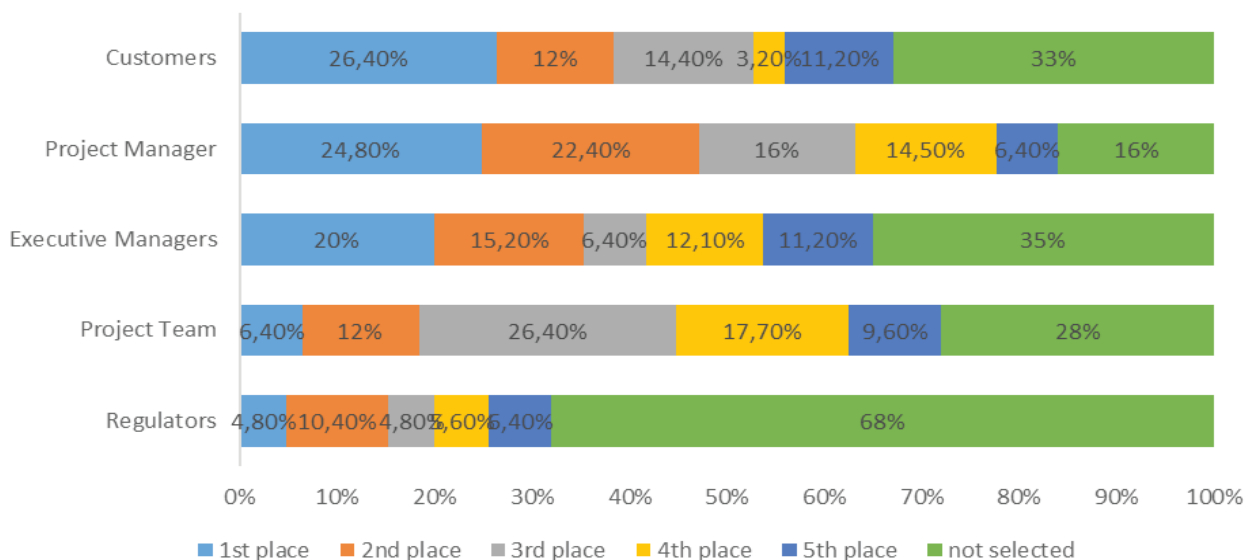
Companies whose main project operations are investment projects dominated in this group of respondents. From the point of view of further research, it should be considered to divide this group into more precise categories. The following table shows the average budgets of projects carried out in the researched companies.

Table 8. The Average Budgets of Projects in the Researched Organisations

The Average Budgets of Projects	Percentage
1 mln – 10 mln EUR	22%
50k – 250k EUR	21,20%
250k – 1 mln EUR	17,80%
10 mln – 100 mln EUR	14,40%
10k – 50k EUR	12,70%
Above 100 mln EUR	6,80%
Below 10k EUR	5,10%
Total	100%

Source: prepared by the author

Chart 1. The Importance of Stakeholders in the Researched Organisations



Source: prepared by the author

Table 9. The Average Duration of Projects in the Researched Organisations

The Average Duration of Projects	Percentage
9 – 24 months	39%
3 – 9 months	26%
More than 24 months	13,60%
Less than 3 months	11,40%
Total	100%

Source: prepared by the author

Projects lasting from 9 to 24 months dominate. In a further perspective, the division of this category into 2-3 groups, more precisely determining the duration of projects, would be advisable.

The sample number and its structure may lead to getting a general overview about stakeholder engagement management in projects carried out in organisations operating in Poland.

3.2. KEY FINDINGS

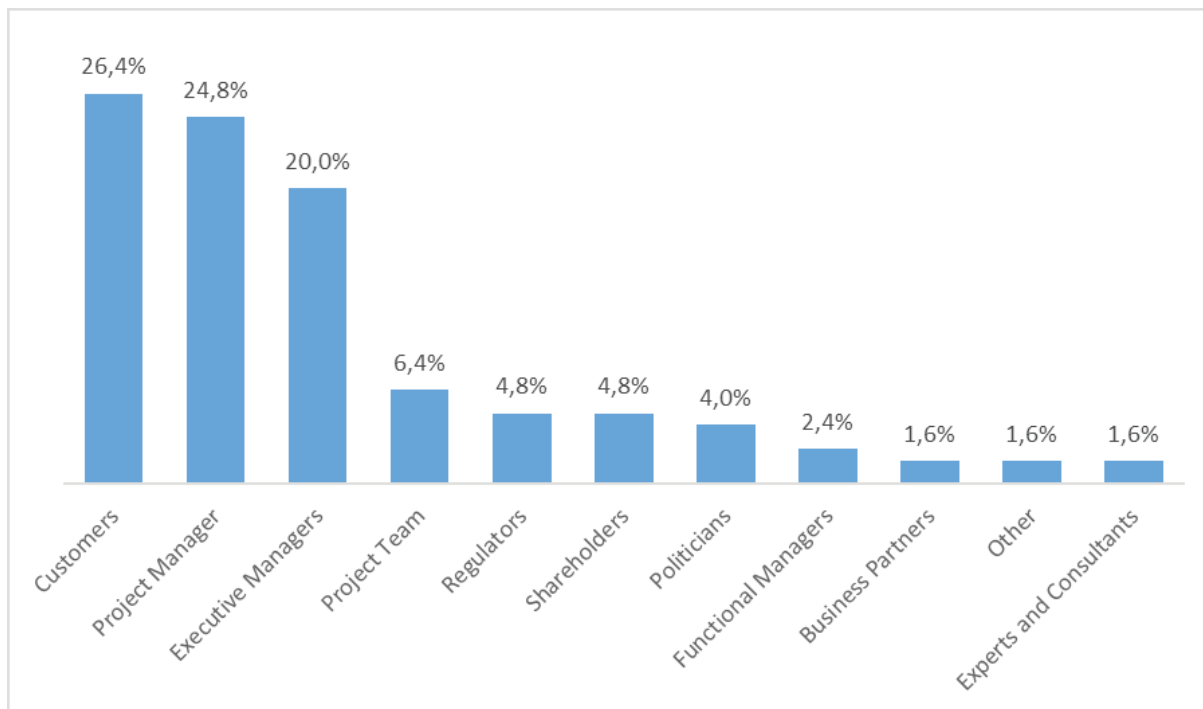
In this section, the results of research into the estimated/perceived importance of stakeholders in projects carried out by the researched organisations are shown.

On the next charts, the importance of individual stakeholders, showing how often the first 5 places were indicated in the importance ranking, is shown.

The results shown indicate that one third of the respondents did not indicate customers in the group of the five most important project stakeholders. Meanwhile, this

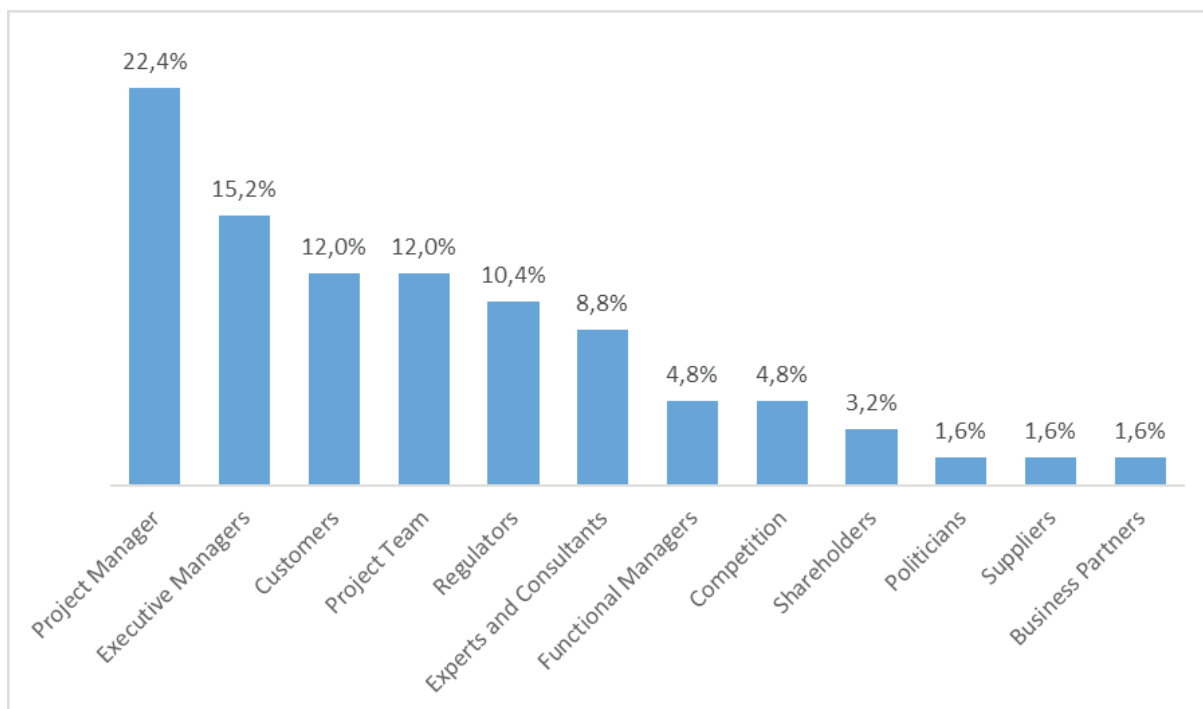
ratio for the project manager was only 16% (the green field on the chart). On the next charts, details about the indications on individual places are shown.

Chart 2. Stakeholders Indicated on Place 1



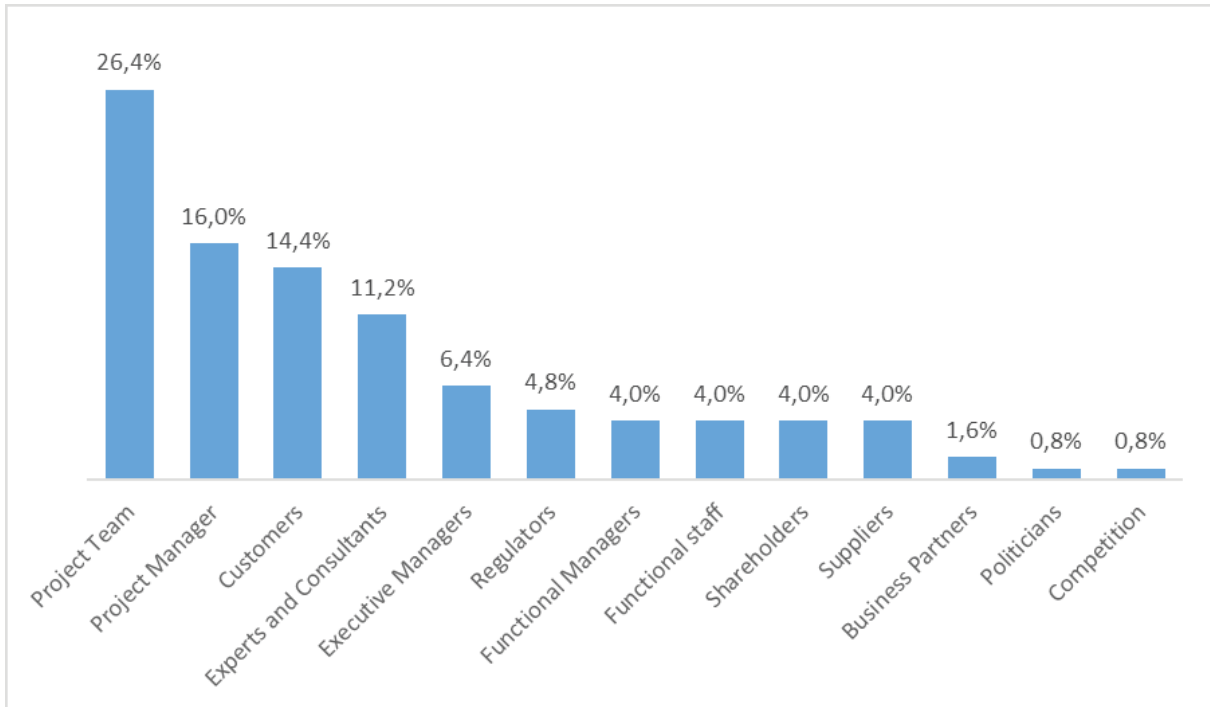
Source: prepared by the author

Chart 3. Stakeholders Indicated on Place 2



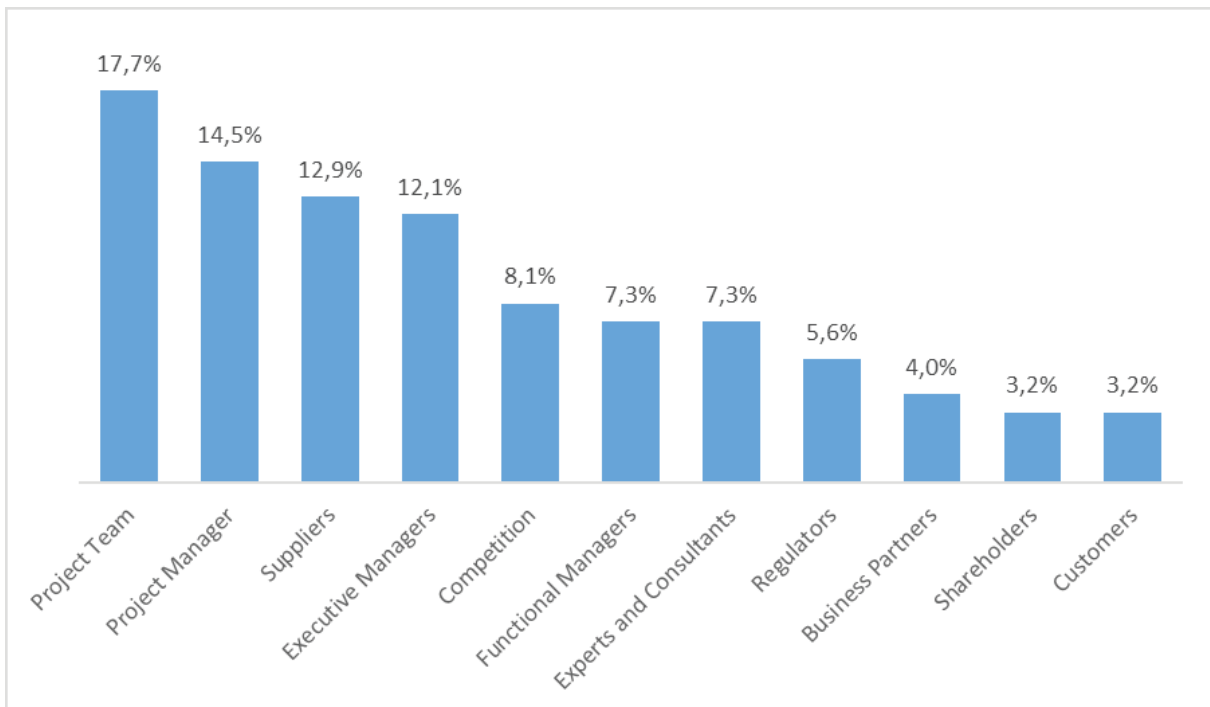
Source: prepared by the author

Chart 4. Stakeholders Indicated on Place 3

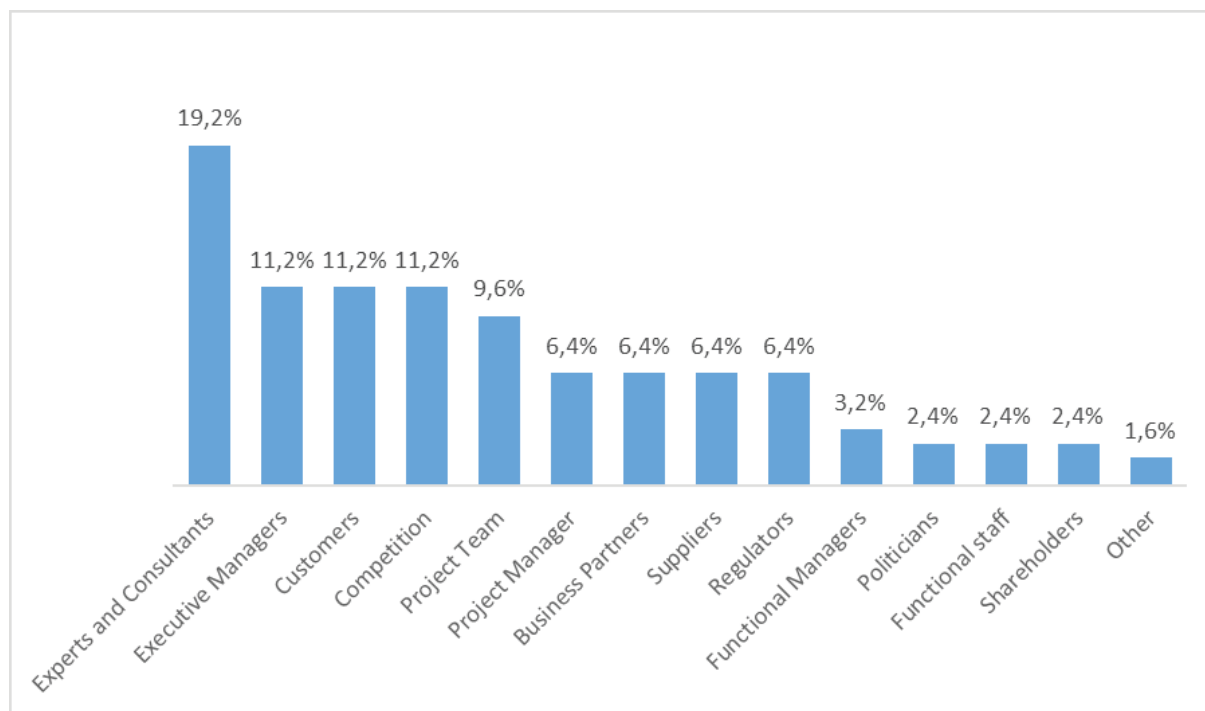


Source: prepared by the author

Chart 5. Stakeholders Indicated on Place 4



Source: prepared by the author

Chart 6. Stakeholders Indicated on Place 5

Source: prepared by the author

4. FINAL CONCLUSIONS, LIMITATIONS TO THE RESEARCH

The shown research results are initial in nature, it is planned to continue and broaden the research. Out of the project stakeholders, the central importance is assigned to internal stakeholders – to the project manager, project team, the organisation management; out of external stakeholders, only customers are perceived as equally important, but as much as 33% of the respondents place them outside the first five in the importance ranking. Some results may also be surprising. In author's opinion, low position of stakeholders is one of these. Secondly, may could except that some characteristics like “position in company” influence perceived importance of stakeholders. Meanwhile Kruskal – Wallis test shown, that at significance level 0,05 almost none of respondents characteristics differentiated hierarchy of stakeholders. Only in case of “sector” major differences were shown.

Due to a limited number of the sample and a quasi-random selection, the results cannot be generalized into the population in an explicit manner. Also, there are clear barriers to determining the population in an explicit manner. The undertaken research only to a small degree takes into account the place of processes and tools of stakeholder engagement management in the context

of other problems – such as, e.g. strategic management, risk management. One more important limitation is also a problem of reaching an organisation the people who have a full overview of the used solutions and concepts.

Therefore, prospects of further research can be indicated. It is intentional to continue the research in the same form in order to increase the number of the sample. It will enable to formulate more precise conclusions and at the same time increase the diversity within the group – which in the end will enable to separate groups due to, e.g. their sector of business or the nature of projects carried out. It would also be intentional to carry out research in a specific sector of the economy and/or among companies carrying out specific types of projects (e.g. European projects, research and development projects, etc.).

Due to the specificity of the problem, it would also be justified to extend research methods to include direct interviews. As a considerable part of subjects connected with the stakeholder identification management process goes beyond the formulated questionnaire questions with a definite list of possible answers.

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