

**Project Relationship Management and the
Stakeholder Circle[™]**

Lynda Bourne

Doctor of Project Management

2005

RMIT University

Project Relationship Management and the Stakeholder Circle™

A dissertation submitted in partial fulfilment of the requirements for
the degree of Doctor of Project Management

Lynda Bourne

BA (Hons)

Grad Dip Comp

Graduate School of Business

RMIT University

December 2005

DECLARATION

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; and, any editorial work, paid or unpaid, carried out by a third party is acknowledged.

Signed:

Lynda Bourne
December 2005

ACKNOWLEDGEMENTS

I would like to thank my senior supervisor Professor Derek Walker for his support throughout the four years of this journey. He provided guidance, inspiration and encouragement and the important strategic view of work towards submission of this dissertation. Dr Jennie Carroll, my second supervisor, provided guidance, inspiration, and encouragement particularly in the last hard days of writing before submission. I had the perfect supervision team; their experience and focus covered all aspects of the work that need to be accomplished. I would especially acknowledge their generosity in spending the time I needed for meetings, in reading and responding to the drafts of this work. Thank you.

I would like to acknowledge the emotional and technical support of my partner, Patrick Weaver. He contributed to this work through his generous encouragement and understanding, the development of the software support for the *Stakeholder Circle*TM, and as a contributor to the research through his great ideas and as a sounding board for my ideas: thank you Patrick.

I am grateful to my family for their interest and support. Nell was able to assist me from her own experience of completing a Ph.D. a few years before; she showed me that I did not have to change the world in developing a design for the research. To Owen, Tracy and Andy, for their interest and support: thank you.

Thank you to my friends who understood when I was so focussed on writing that I rarely saw or spoke to them. They even showed interest in this work when I had nothing else to talk about. In particular I want to thank Jo S, Sheila, Louise, Jo H, Elaine and Jim.

And finally, thanks to the participants of the research and their management, for their patience, support and willing participation in this research.

In memory of my dear friend Sheila Andrews, who passed away in November 2005. Her brilliant mind and ready wit supported me, not just during the time of my doctoral studies but over the long years of our friendship. Her wish was to attend my graduation and she was not able to: but her spirit will be with me at the ceremony.

ABSTRACT

Project success and failure is related to stakeholders' perceptions of the value created by the project and the nature of their relationship with the project team. This dissertation demonstrates a link between the successful management of the relationships between the project and its stakeholders, and the stakeholder's assessment of a successful project outcome. The project's success, or failure, is strongly influenced by both the expectations and perceptions of its stakeholders, and the capability and willingness of project managers to effectively manage these relationships within the organisation's political environment.

A stakeholder management methodology and visualisation tool, the *Stakeholder Circle*TM, was developed to assist in this process and was the foundation for this research. The *Stakeholder Circle*TM is based on the premise that a project can only exist with the informed consent of its stakeholder community. The methodology supported by the tool provides an effective mechanism for assessing the relative influence of a project's stakeholders, understanding their expectations, and defining appropriate engagement procedures to influence the key stakeholders' expectations and perceptions for the benefit of the project.

There are four themes to the research: the first theme is to identify reasons for project failure and to define the link between project success and stakeholder management. The second theme is refinement and testing of the *Stakeholder Circle*TM methodology and visualisation tool to support the building and maintenance of project relationships. The third theme is to gauge the methodology's effectiveness in building and maintaining robust project relationships. Finally, the fourth theme is to identify the skills and willingness of project managers to build these relationships with the support of the tool.

This research adopted a qualitative approach. Data were collected through interviews, document analysis, observation, and from the results of the iterative refinement cycles of the *Stakeholder Circle*TM. Case study descriptions of the six participant projects provided a rich picture of the project and the organisation, and supported interpretation of the resulting profiles of each project's unique stakeholder community. The iterative methodology refinement resulted in a practical methodology that was refined until there were no further adverse comments from the research participants.

Findings from the research can be categorised into three groups. The *Stakeholder Circle*TM was evaluated as an effective tool that can support project teams in identifying the 'right'

stakeholders to engage; the second was an understanding of the level of capability and willingness of people in different organisations to manage project relationships. Finally, serendipitous findings about the relationship between the profile of stakeholder community as shown by the *Stakeholder Circle*TM and the informal power structures of the performing organisation have aroused interest in the project management community.

The research contributed to the body of knowledge in at least five areas. The first three areas are concerned with the combination of existing theories to address gaps noted in the literature. The first contribution presented an interdependent model of project success. This model incorporates a balance of focus on delivery of value, the management of risk and building effective relationships. The second gap was the lack of a dynamic process to identifying the *right* stakeholders for the *right* time of the project lifecycle. The refinement of the prototype *Stakeholder Circle*TM and its development for practical use addressed this gap. The third gap related to the personal qualities necessary to build and maintain relationships with key stakeholders. This gap was addressed through an identification of cumulative levels of skills and experience building to ‘wisdom’ – the project manager’s willingness and capability to use the *Stakeholder Circle*TM to build and maintain robust project relationships for project success.

The final two areas are concerned with practical benefits. A decrease in failed projects should benefit organisations and their management through a consequential decrease in wasted funds and resources. The project team should benefit from use of the *Stakeholder Circle*TM methodology and tool by sharing knowledge about each of the stakeholders, and through this sharing, and enhancing the building of team relationships. These experiences can contribute to the growth of the project team members along the path to ‘wisdom’. Through the additional knowledge the project team gains, the organisation can increase its ‘knowledge capital’.

The new approaches to project relationship management in the form of the theory implicit in the *Stakeholder Circle*TM methodology and visualisation tool should benefit the profession through improving the chances of project success. These approaches should in turn increase the value of projects to organisations, and with their continuing success, improve the reputation of the project management profession.

TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
ABSTRACT.....	iii
TABLE OF CONTENTS	v
LIST OF TABLES.....	xi
LIST OF FIGURES.....	xii
LIST OF PAPERS PUBLISHED.....	xiv
GLOSSARY OF TERMS	xvi
Chapter 1 - Introduction.....	1
1.1 The Doctor of Project Management Program (DPM)	3
1.1.1 Experiences of the researcher leading to the research.....	3
1.1.2 Development of prototype <i>Stakeholder Circle</i> TM	4
1.2 Background to the research	5
1.3 Research Proposition	6
1.4 Research Questions	7
1.5 Research Scope and Objectives.....	7
1.6 Research Design	8
1.6.1 Theoretical Framework	9
1.6.2 Limitations of the Research.....	10
1.7 Structure of the Dissertation.....	10
1.8 Summary of the Chapter.....	13
Chapter 2 - Literature Review and Theoretical Concepts.....	14
2.1 Project and Project Management Defined.....	15
2.1.1 The project as part of the organisation	18
2.2 Project typologies	20
2.2.1 Project Typology Continuum	21
2.2.2 Project Goals and Methods Matrix.....	22
2.2.3 The NCTP Framework	23
2.3 Project success/failure	25
2.3.1 Elements of project success.....	28
2.4 Stakeholder Theory	29
2.4.1 Stakeholders defined	30
2.4.2 Managing project relationships	32
2.5 Methodologies and tools for visualising stakeholders.....	34
2.6 Managing Relationships	36
2.6.1 The Project Environment.....	37
2.6.2 Leadership	39
2.6.3 Three Dimensions of Project Management Skills and Knowledge.....	41
2.6.4 Power, Influence and Politics	42
2.6.5 Ethics, Trust and Commitment.....	44
2.6.6 Risk and Uncertainty	46
2.7 Communication	47
2.8 Summary of the Chapter.....	48
Chapter 3 The <i>Stakeholder Circle</i>TM Methodology	50
3.1 Stakeholder Circle TM defined	50

3.1	Origins	52
3.1.1	Personal Input	52
3.1.2	Peer and User Input	53
3.1.3	Theoretical Input	54
3.2	Using the Methodology	54
3.2.1	Identification of Stakeholders.....	55
3.2.2	Prioritisation of Stakeholders	56
3.2.3	Stakeholder Engagement Strategy.....	57
3.2.4	Maintaining Engagement.....	58
3.3	Features of the Visualisation Tool.....	58
3.3.1	The Stakeholder Circle™ Visualisation Tool	59
3.3.2	Interpretation	60
3.3.3	Maintenance of the Stakeholder Community	61
3.4	Value of the methodology	61
3.4.1	Value to the Project Manager	61
3.4.2	Value to the Organisation.....	62
3.4.3	Value to Stakeholders.....	62
3.4.4	Value to the PM Profession.....	63
3.5	Summary of the Chapter.....	63
	Chapter 4 - Research Design	65
4.1	Philosophical Foundations.....	66
4.2	Research Approaches	67
4.2.1	Research Purposes	67
4.2.2	Time dimension of research	68
4.2.3	Methodological Strategy	68
4.2.4	Methods of Analysis and Recording	69
4.3	Research Techniques	69
4.3.1	Experimental Research.....	69
4.3.2	Survey Research	69
4.3.3	Field Research	70
4.3.4	Hermeneutics and Phenomenology	70
4.3.5	Action Research.....	71
4.3.6	Case Study	71
4.4	Data Collection.....	72
4.4.1	Criteria of Research Quality	73
4.5	Research Questions and Objectives.....	75
4.5.1	Research Questions	75
4.5.2	Research Objectives	75
4.6	The Research Design.....	76
4.6.1	Relationships between research strategy and questions	77
4.6.2	The Structure of the Research	79
4.7	Literature Search - Phase 1	81
4.8	Iterative Methodology Refinement – Phase 2	81
4.8.1	Data Collection.....	81
4.8.2	Methodology Refinement Cycles	82
4.9	Case Study - Phase 3	82
4.9.1	Case Study data collection.....	82
4.9.2	Case Study data analysis	83
4.9.3	Validation	83
4.10	Other aspects of Research Design	83

4.10.1	Data Management Strategy	84
4.10.2	Selection of Participants	84
4.10.3	Gaining Access	85
4.10.4	Ethical Considerations	87
4.11	Summary	87
	Chapter 5 Iterative Methodology Refinement	88
5.1	The Research Environment	89
5.1.1	The Cases	89
5.2	The Workshop Process	91
5.3	Iterative Methodology Refinement	93
5.3.1	Designing the refinement strategy	94
5.4	‘Pilot’ – first iteration	96
5.4.1	Planning and implementing the defined action	96
5.4.2	Monitoring the results and effects	97
5.4.3	Reflection and evaluation	97
5.4.4	Revision of the plan	99
5.4.5	Repeat the cycle	100
5.5	‘Continuous improvement’ – second iteration	100
5.5.1	Planning and implementing the defined action	100
5.5.2	Monitoring the results and effects	101
5.5.3	Reflection and evaluation	101
5.5.4	Revision of the plan	104
5.6	‘Validation’ – third iteration	105
5.6.1	Planning and implementing the defined action	105
5.6.2	Monitoring the results and effects	105
5.6.3	Reflection and evaluation	106
5.7	The effectiveness of the Stakeholder Circle™	108
5.7.1	Effectiveness of the methodology	109
5.7.2	Effectiveness of the supporting software	111
5.7.3	Effectiveness of tool for prioritisation and engagement	112
5.7.4	Effectiveness – business and construction projects	113
5.8	Establishing Credibility	114
5.9	Summary of the Chapter	116
	Chapter 6 Project of iteration 1 – ‘pilot’ stage	118
6.1	Introduction	118
6.2	Overview of Case Study	119
6.3	Case Study Description – Asset Management System	119
6.3.1	Making contact and gaining access	120
6.3.2	Structure of the PM’s Organisation	120
6.3.3	Values and Culture	121
6.4	Project Description	123
6.4.1	Project Type	123
6.4.2	Objectives and Drivers	125
6.4.3	Lifecycle	125
6.4.4	Levels of Support	125
6.5	Project Organisation	126
6.5.1	Project manager	126
6.5.2	Project team	127
6.5.3	Sponsor	127
6.6	Relationship Management	128

6.6.1	Stakeholder Circle™ for the project.....	128
6.6.2	Managing stakeholders.....	129
6.6.3	Communication.....	130
6.6.4	Project success.....	130
6.6.5	‘Politics’.....	131
6.7	Researcher Reflection.....	131
6.8	Summary.....	132
Chapter 7 Projects of Iteration 2 – Continuous Improvement		133
7.1	Overview of the Iteration 2 Case Studies.....	133
7.2	Case Study Description – Town Hall Re-development.....	134
7.3	Project Description.....	137
7.4	Project Organisation.....	140
7.5	Relationship Management.....	142
7.6	Town Hall Re-development Project – Summary.....	147
7.6.1	Researcher Reflection.....	147
7.7	Case Study: City Mall Re-development Project.....	148
7.8	Project Description.....	150
7.9	Project Organisation.....	153
7.10	Relationship Management.....	156
7.11	City Mall Re-development – Summary.....	161
7.11.1	Researcher Reflection.....	162
7.12	Case Study Description: eDocRec.....	163
7.13	Project Description.....	165
7.14	Project Organisation.....	168
7.15	Relationship Management.....	171
7.16	eDocRec – Summary.....	174
7.16.1	Researcher Reflection.....	174
7.17	Summary of Iteration 2 Case Studies.....	176
Chapter 8 Projects of Iteration 3 – ‘Validation’		178
8.1	Overview of the Iteration 3 Case Studies.....	178
8.2	Case Study Description – Town Hall accommodation.....	179
8.3	Project Description.....	180
8.4	Project Organisation.....	182
8.5	Relationship Management.....	184
8.6	Town Hall accommodation summary.....	187
8.6.1	Researcher Reflection.....	187
8.7	Case Study Description – Knowledge Net.....	188
8.8	Project Description.....	190
8.9	Project Organisation.....	193
8.10	Relationship Management.....	196
8.11	Knowledge Net Summary.....	200
8.11.1	Researcher Reflection.....	200
Chapter 9 Inter-Case Analysis		202
9.1	Capability of the project team.....	202
9.1.1	Willingness of the project team.....	204
9.2	Inter-case Comparisons.....	206
9.2.1	Comparisons by project typology.....	206
9.2.2	Summary of effectiveness of project typology models.....	211
9.2.3	Comparing project structures.....	212
9.2.4	Summary of models comparison.....	214

9.3	Inter-Case Analysis of Stakeholder Communities	215
9.3.1	Analysis 1 – most important project stakeholders.....	217
9.3.2	Analysis 2 – moderately important stakeholders.....	219
9.3.3	Summary of Analysis 1 and Analysis 2	221
9.3.4	Analysis 3 – the patterns of the Stakeholder Community	221
9.4	Inter-Case Analysis by Industry	224
9.5	Summary of the Chapter.....	225
	Chapter 10 - Conclusion	227
10.1	Summary of the Research Project	227
10.1.1	The four themes of the research	227
10.2	Contributions of this Research	230
10.2.1	Addressing gaps in the research	231
10.2.2	Value delivered by the <i>Stakeholder Circle</i> TM	232
10.3	Recommendations for Future Research.....	234
10.4	Summary of Chapter.....	235
	References	237
	Appendices for Chapter 1	
	Appendix A: Progress through the DPM Program	
	Appendix B: Publications	
	Appendices for Chapter 2	
	Appendix C: Project characteristics and technological uncertainty levels	
	Appendix D: Project Characteristics and System Scope Levels	
	Appendix E: Product Novelty Levels and their major impact on project management	
	Appendices for Chapter 3	
	Appendix F: Stakeholder Identification worksheet	
	Appendix G: Stakeholder Assessment worksheet	
	Appendix H: Stakeholder Engagement worksheet	
	Appendix I: Key Assessment and Engagement Factors	
	Appendices for Chapter 4	
	Appendix J – Evaluation sheet for Workshop 1	
	Appendix K - Evaluation sheet for Workshop 2	
	Appendix L – Executive Interview Questions	
	Appendix M – Project manager questions	
	Appendix N sample contact summary sheet	
	Appendix O – Sample Letter	
	Appendix P – Sample Consent Form	
	Appendices for Chapter 5	
	Appendix Q - Changes to the Visualisation tool – versions 1, 2 and 3	
	Appendix R - Changes to the Visualisation tool - versions 4, 5 and 6	
	Appendix S - Initial Workshop Plan	
	Appendix T – Report for Iteration 1: Council 1	
	Appendix U – Report for Iteration 2: Department 1	
	Appendix V – Reports for Iteration 2: Council 2	
	Appendix W – Reports for Iteration 2: Builder	
	Appendix X– Report for Iteration 3: Department 2	
	Appendix Y – Reports for Iteration 3: Council 1 accommodation	
	Appendix Z- Workshop Evaluations summarised	
	Appendix AA – Key Factors Definitions as modified in Iteration 2	
	Appendices for Chapter 9	
	Appendix BB - Summary of research Findings	

Appendices for Chapter 10

Appendix CC - Extract from the RMIT professional doctorate guidelines

LIST OF TABLES

Table 2.1 - Elements of project success	28
Table 2.2 - A selection of methodologies for identification and management of stakeholders	34
Table 2.3 - Project manager influence	39
Table 4.1- Paradigms of methodological frameworks.....	67
Table 4.2 - Purpose of research	68
Table 4.3 - Relevant situations for different research strategies	79
Table 5.1 - Summary of the projects	89
Table 5.2 - Details of workshop participants.....	92
Table 5.3 - Summary of the iterative refinement for the <i>Stakeholder Circle</i> TM	95
Table 6.1 - Summary of Case study for Chapter 6 – Asset Management System.....	119
Table 6.2- Summary of key relationships for Asset Management System	128
Table 7.1 - Summary of Iteration 2 projects.....	134
Table 7.2- Summary of key relationships for Town Hall Re-development	143
Table 7.3 - Summary of key stakeholders for City Mall Re-development project	157
Table 7.4 - Summary of key relationships for eDocRec	172
Table 8.1 - Summary of Iteration 3 projects.....	179
Table 8.2 - Summary of key relationships for staff accommodation project	185
Table 8.3 - Summary of key relationships for Knowledge Net.....	196
Table 9.1 - Summary of participant PM experience.....	203
Table 9.2 - Summary of project structures	213
Table 9.3 - Legend for Table 9.4	215
Table 9.4 - Comparison of project stakeholder communities.....	216
Table 9.5 - Comparison between construction and business projects	224

LIST OF FIGURES

Figure 1.1 - Research themes	7
Figure 1.2 - Research design	9
Figure 1.3 - Structure of the dissertation	11
Figure 2.1 - Structure of the chapter	15
Figure 2.2 – Section 2.1	16
Figure 2.3 - Projects defined	16
Figure 2.4 -The project as part of the performing organisation.....	19
Figure 2.5 – Structure of Section 2.2.....	20
Figure 2.6 - Project typology	21
Figure 2.7 - Goals and Methods Matrix	22
Figure 2.8 - NCTP framework.....	24
Figure 2.9 - Structure of Section 2.3	25
Figure 2.10 - The triangle of dependence.....	26
Figure 2.11 - The three elements of project success.....	29
Figure 2.12 – Structure of Section 2.4.....	29
Figure 2.13 - Stakeholder model	32
Figure 2.14 - Social network theory of stakeholder management.....	33
Figure 2.15 - Structure of Section 2.6	36
Figure 2.16 - The project environment.....	37
Figure 2.17 - The three dimensions of PM skills	41
Figure 2.18 - Structure of Section 2.7	47
Figure 3.1 - The prototype <i>Stakeholder Circle</i> TM	51
Figure 3.2 - The steps of the methodology.....	55
Figure 3.3 - <i>Stakeholder Circle</i> TM Version 6.....	60
Figure 4.1 - Breadth and depth of investigations.....	72
Figure 4.2 - Difference between validity and reliability	73
Figure 4.3 - Evidence convergence	74
Figure 4.4 - Four themes of the research.....	75
Figure 4.5 - Overview of research design.....	77
Figure 4.6 - Structure of the research	80
Figure 5.1 - Summary of the iterative process.....	93
Figure 5.2 - Summary of Iteration 1	97
Figure 5.3 - Summary of Iteration 2	101
Figure 5.4 – Summary of Iteration 3	106
Figure 5.5 - Responses to Q4 - confidence to use the SHC again.....	110
Figure 5.6 - Responses to Q 5 - likelihood to use SHC again.....	110
Figure 5.7 - SHC software support.....	111
Figure 6.1 - Organisation structure for Council 1	121
Figure 6.2 - NCTP Framework for Asset Management System.....	124
Figure 6.3 - Project organisation for Asset Management System.....	126
Figure 6.4 - Stakeholder Circle for Council 1	128
Figure 7.1 - Organisational structure for Builder	136
Figure 7.2 - Town Hall Re-development project in the NCTP framework.....	138
Figure 7.3 - Project organisation for Town Hall Re-development.....	140
Figure 7.4 - <i>Stakeholder Circle</i> TM for Town Hall Re-development.....	143
Figure 7.5 - Organisation structure of Council 2.....	149
Figure 7.6 - NCTP framework for City Mall Re-development project.....	151
Figure 7.7 - Project Organisation for City Mall Re-development.....	153

Figure 7.8 - City Mall Re-development stakeholders	156
Figure 7.9 - Organisational structure for Department 1	164
Figure 7.10 - NCTP Framework for eDocRec	166
Figure 7.11 - Project Organisation for eDocRec	168
Figure 7.12 - eDocRec stakeholders.....	171
Figure 8.1 - NCTP Framework for Council 1 accommodation project.....	181
Figure 8.2 - Project organisation for staff accommodation.....	183
Figure 8.3 - Stakeholder Circle for Council 1 accommodation project.....	184
Figure 8.4 - Organisation of Department 2	189
Figure 8.5 - NCTP Framework for Knowledge Net.....	191
Figure 8.6 - Knowledge Net project organisation	193
Figure 8.7 - Knowledge Net stakeholders	196
Figure 9.1 - Summary of levels of 'wisdom' of project team.....	206
Figure 9.2 - NCTP framework - Asset Management System.....	207
Figure 9.3 - NCTP framework for the Town Hall Re-development Project.....	207
Figure 9.4 - NCTP framework for City Mall Re-development	208
Figure 9.5 - NCTP framework for eDocRec	209
Figure 9.6 – NCTP framework for Town Hall staff accommodation	210
Figure 9.7 – NCTP framework for Knowledge Net.....	211

LIST OF PAPERS PUBLISHED

Presentations, Conferences and Journal Papers featuring the Stakeholder Circle™

Major Papers

International Conferences

- **The Accidental Project Manager – the Getting of Wisdom**
PMINZ Conference, October 2005,
Auckland, New Zealand
- **The Stakeholder Chameleon – Ignore at your Peril!**
PMI 1st Asia-Pacific Global Symposium
Singapore, February, 2005
- **The Paradox of Project Control in a Matrix Organisation**
3rd United Kingdom International Performance Management Symposium,
London, October 2004
- **Tapping the Powerlines – A 3rd Dimension of Project Management beyond Leading and Managing**
International Project Management Association,
Moscow, June 2003

Australian Conferences

- **The Accidental Project Manager – the Journey from reluctance to success**
PMOz Conference 2005, August, 2005,
Brisbane, Australia.
- **The Paradox of Project Control in a Matrix Organisations**
PMOz, National Conference
Melbourne, August 2004
- **Project Control Using AS4817 for Earned Value Management - The VIPER Experience**
Australian Institute of Project Management National Conference,
Alice Springs, October 2003
- **Tapping the Powerlines**
7th Australian International Performance Management Symposium
Canberra, February 2003
- **Project Fact or Fiction (Will the real projects please stand up)**
Maximising Project Value
PMI Melbourne, October 2002
- **The Project Start-Up Conundrum**
AIPM National Conference, Project Management in Society
Sydney, October 2001

Academic Journals

Bourne, L. and D. Walker (2005). "The Paradox of Project Control." Team Performance Management Journal(Summer 2005).

Bourne, L. and D. H. T. Walker (2004). "Advancing Project Management in Learning Organizations." The Learning Organization **11**(3): 226 - 243.

Bourne, L. and D. H. T. Walker (2005). "Visualising and Mapping Stakeholder Influence." Management Decision **11**(5/6): 157 - 187.

Bourne, L. and D. H. T. Walker (2005). "Visualising Stakeholder Influence – Two Australian Examples" (Submitted to Project Management Journal, Jan 2005)

Presentations to Project Management Practitioners

PMI Melbourne Chapter meeting, **August 2003** repeat of the presentation I delivered at the IPMA Global congress in Moscow.

PMI presentation to National Australia Bank Project Management Community, **August, 2004**. Participation in a panel discussion on project management resulted in an invitation to return to discuss the findings of this research.

Second Presentation to the NAB PM Community Forum, **February 2005**.

Second Presentation to PMI Melbourne Chapter, **June 2005**. Invitation to repeat the Singapore PMI Global Congress: *The Stakeholder Chameleon*.

GLOSSARY OF TERMS

BU	Business Unit
CEO	Chief Executive Officer
CIO	Chief Information Officer
CKO	Chief Knowledge Officer
CTO	Chief Technology Officer
DPM	Doctor of Project Management
eDocRec	Document and records management system
ICT	Information and Communications Technology
ID	Identification
IT	Information Technology
KMC	Knowledge Management Committee
KPA	Key Performance Areas
MBA	Master of Business Administration
MD	Managing Director
NCTP	Project typology framework based on <i>novelty, complexity, technology uncertainty and pace</i> (Shenhar and Dvir 2004)
OCIO	Office of the CIO
OGC	Office of Government Commerce
PM	Project Manager
PMBOK	Project Management Body of Knowledge, published by PMI
PMI	Project Management Institute
PMO	Project Management Office
PR	Public Relations
PRINCE2	PR ojects IN Controlled Environments - Project Management Methodology developed by the OGC – Office of Government Commerce (UK)
RFT	Request for Tender
SHC	<i>Stakeholder Circle</i> TM
SM	Stakeholder management
TKO	Temporary Knowledge Organisation
TM	Trade Mark
3 rd Dimension	PM skills <i>beyond managing and leading</i> required for managing in the informal power structures of an organisation

Chapter 1 - Introduction

From building the Pyramids in Egypt, through to implementation of new Information and Communication Technology (ICT); all such *temporary endeavours* have required planning, management and control to deliver the desired outcome. Today, many businesses have embraced the concept of projects as a mechanism for delivering change. However, all types of projects experience unacceptably high rates of failure, causing waste of the organisation's scarce monetary and human resources and damaging the reputation of the project management profession.

Failure has been defined in the literature reviewed in preparation for this dissertation as being strongly related to stakeholders' perceptions of the value of the project and their relationship with the project. The key to successful project relationships is in understanding that different stakeholders have different expectations of the project and different definitions of success. The project's success or failure is strongly influenced by both the expectations and perceptions of its stakeholders, and the capability and willingness of project managers to manage organisational politics.

A stakeholder management methodology and visualisation tool, the *Stakeholder Circle*TM, was developed to assist in this process. The *Stakeholder Circle*TM is based on the premise that a project can only exist with the informed consent of its stakeholder community. This community consists of individuals and groups, each with a different potential to influence the project's outcome. The *Stakeholder Circle*TM offers a mechanism for assessing the relative influence of each of the key stakeholders, understanding their expectations and defining appropriate engagement procedures. The benefit of this tool is derived from the analysis process itself and from the ease with which key stakeholder's influence on the project can be judged and managed. This research is focussed on the use of the methodology and tool to improve a project's chances for success through establishing the connection between project failure and failed project relationships, and then through refinement and testing of the *Stakeholder Circle*TM to provide effective support for the project manager and project team to build and maintain relationships with key stakeholders.

The research is exploratory and descriptive. It examines relationships in projects, both business and construction, within Australian medium sized organisations. The research

proposition is that project management will be advanced by the application of the *Stakeholder Circle™*, a methodology and visualisation tool, supporting the project manager and project team members in the essential task of building and maintaining relationships with key project stakeholders.

The dissertation explores the process and results of an iterative refinement of the prototype methodology and tool, and its effectiveness and use within the participant organisations. It uses qualitative research approaches, beginning with data collected during the iterative methodology refinement cycles, from evaluations of the methodology. Case studies are presented using data from interviews, observation, informal and formal meetings and analysis of project documentation. The case studies examine the capability and willingness of the project team members to use the *Stakeholder Circle™* methodology and visualisation tool for managing project relationships. Serendipitous findings from the research indicate that the structure of each project's unique *Stakeholder Circle™* provides additional insights into the political structure of the organisation in which the project is operating.

This research examines ways to assist project managers and project team members to develop and maintain the relationships essential to project success. The outcome of the research is a robust methodology supported by a visualisation tool that has been refined and tested in both business and construction projects. Although this methodology and visualisation tool have only been tested on Australian projects, I have presented on this topic at international conferences and published in international journals receiving enthusiastic and supportive responses from other project practitioners.

This chapter provides an overview of the dissertation and outlines its scope. Section 1.1 presents an overview of RMIT's Doctor of Project Management (DPM) program that provided the stimulus and the theoretical structure for the research. This overview is followed by a brief description of the researcher's background and the contribution that both this experience and the coursework of the DPM program made to the development of the research questions. Section 1.2 presents the research: the background, the rationale for the research, the research problem statement, the themes of the research which influenced the research questions, objectives, methods, theoretical framework and, finally, limitations of the current research.

1.1 The Doctor of Project Management Program (DPM)

The ideas leading to the development of the research arose from a combination of the DPM studies and reflection on experience in project management. The DPM is a professional degree that is also classified as a ‘research degree’. This means that internal assessment is based upon coursework (33% of the program) and external assessment by thesis examination (67% of the program).

As part of the internal assessment a series of four research preparation courses were undertaken in which substantial papers were produced by me on a series of themes related to the core coursework areas studied. These formed:

- A basis for progress review;
- A basis for elements of the thesis that has been expanded upon or refined in some way, and
- A means of progressing and exploring ideas and issues through pilot research studies, literature reviews and/or other research approaches to make sense of studied aspects of projects from the perspective of the core DPM coursework. These papers contributed ideas and content for this dissertation.

The interests that I pursued throughout this program were related to the reasons for project failure: *Why do projects fail? What is the definition of failure? Who decides if a project is a failure?* My experience in managing projects and then in managing project managers in large corporations led me to a belief that it was the relationships between the project and the project’s stakeholders that failed; this was the path that I followed throughout the DPM program. Appendix 1.1 provides a guide to the coursework component that informed my dissertation and Appendix 1.2 lists the journal and conference papers that resulted from the ideas generated during the course and supported by the coursework.

1.1.1 Experiences of the researcher leading to the research

I have twenty years experience in project management and Information Technology (ICT), primarily in telecommunications-related projects. Job assignments over this time have included managing projects, project management training, strategic planning, Account Management within the IT industry, Business Process Re-engineering (BPR) and business development for technology start-up companies. My current role is Director of Training in an

Australian project management services company, with primary focus on project management training, PM accreditation training, project management consultancy and planning. I am a Director of the company.

My most recent senior corporate roles included an executive role as Program Director for IT projects. Other senior project management roles in that organisation included that of Project Director of a program to develop an interface between a high-end Project Management tool and a complex organisation accounting and financial management tool – SAP R/3. Project outcomes were delivered on time and on budget; the project was supported by all stakeholders, including senior management, the vendors and the ‘end users’; and the solution delivered met their expectations: this project was successful by all measures.

Other Australian assignments involved establishment of Program Offices in a number of telecommunications companies. Experiences during these roles led me to an understanding of the need to manage project and program relationships to ensure their successful outcomes.

As a senior management consultant in South East Asia, I led ‘bid teams’ responding to Requests for Tender (RFT) from telecommunications companies in Malaysia and Singapore. The bid process involved management of technical delivery as well as the sales and marketing effort to senior management in the target companies. These roles led to my understanding of the importance of culture both national and organisational, and of the importance of a balanced approach to project management that gave equal weighting to the ‘hard’ and ‘soft’ side of management. My work gave me a respect for the power of ‘politics’ – working within the political environment of an organisation to achieve project success.

These insights together formed the starting point for my deliberations within the DPM program: the need to balance the ‘hard’ management of budgets, schedules and quality with the ‘soft’ management of project stakeholders; the importance of an individual’s cultural background in influencing their perceptions and expectations; and the importance of being capable and willing to manage within an organisation’s political structure.

1.1.2 Development of prototype Stakeholder Circle™

The *Stakeholder Circle*™ is a stakeholder management methodology supported by a visualisation tool that profiles a project’s key stakeholder community. It was developed as part of my work as a project management consultant. It is based on the premise that a project

can only exist with the informed consent of its stakeholder community, and that managing the relationships between the community and the project will increase the chances of project success. The stakeholder community consists of individuals and groups, each with a different potential to influence the project's outcome positively or negatively. The *Stakeholder Circle*TM methodology was devised to offer a mechanism for assessing the relative influence of each of a project's key stakeholders. The visualisation tool highlights the project's key stakeholders as a reference for the project manager and team, the stakeholders, and others, to understand who has been evaluated by the project team as essential for project success.

The *Stakeholder Circle*TM methodology provides a means for the project team to identify and prioritise a project's key stakeholders, and to develop an appropriate engagement strategy and communications plan to ensure that the needs and expectations of these key stakeholders are understood and managed. The visualisation tool charts a project's key stakeholders according to their ability to influence the project's success or failure. Categorisation and charting of key stakeholders holds the key to targeting the *right* stakeholders at the *right* time in the life of the project and providing them with the *right* level of engagement, information and communication.

1.2 Background to the research

The initial idea for a dynamic process of identifying stakeholders and tailoring engagement strategies to the needs of key stakeholders, arose from my project management experiences: projects were frequently cancelled or re-scoped, and even those that delivered their functionality were often viewed as 'failures'. Apart from difficulties in understanding and meeting management expectations, other issues arose when supportive stakeholders lost interest, or left the company, or when stakeholders who had not been considered as important to, or impacted by, the project made their needs (and/or objections) understood. From this insight, I developed a prototype methodology for my staff project managers (PM) to use that enabled them to prioritise their project stakeholders and tailor dynamic engagement strategies for their management.

The Project Management Institute (PMI) commissioned research to examine project management practice in all sectors and industries (Thomas, Delisle and Jugdev, 2001). The report found that project failure dominated all sectors and industries. Other recent research further defines project failure:

- Poor alignment between solution and organisation's strategy, business requirements or priorities (Canadian Management Accounting Society, 1998)
- Lack of top management involvement and support (Jiang and Klein, 1999)
- Disregard for risk, testing, training (Jiang and Klein, 1999)
- Denial that the project is in trouble (James, 1997)
- Use of 'bleeding edge' technology on a high profile project (Glass, 1998)
- Deemed to have failed by stakeholders (Lemon, Bowitz, Burn and Hackney, 2002).

From this research, a summary of the conditions for project success can be distilled into three elements: delivery of value, management of risk and management of relationships. Delivering value through managing schedule, budget, scope/quality, and realisation of business and organisational benefits, is not only about adherence to the plan. Delivering value requires managing project relationships and managing risks by ensuring that the expectations of all stakeholders are met with regard to *what* is delivered as well as *when* and *how*.

It is essential to understand the relationship within and around a project. The *Stakeholder Circle*[™] methodology and visualisation tool supports the project manager and project team in their efforts of managing project relationships. Through the processes of the methodology, supported by software and the visualisation tool they will know who their key stakeholders are at any time through the project life-cycle. They will then be able to develop and monitor the most appropriate engagement strategy to build and maintain effective relationships.

There is now recognition of the importance of managing stakeholders; but this recognition is not well supported by current methodologies. Refining the *Stakeholder Circle*[™] methodology and gauging its effectiveness to fulfil that role is the subject of this research.

1.3 Research Proposition

Project management practice will be advanced by the Stakeholder Circle[™], a stakeholder management methodology and visualisation tool, which will support the work of the project manager and project team members in building and maintaining relationships with key project stakeholders. Improving the perception of project success (or reducing the perception of failure) through more effective focused stakeholder management requires the project manager and the project team to identify and prioritise key stakeholders and to develop and implement appropriate stakeholder communication and management strategies.

There are four themes arising from this proposition. They are illustrated below.

Research Theme 1 <i>project success (and failure)</i>	Research Theme 2 <i>refining the Stakeholder Circle™ (SHC)</i>	Research Theme 3 <i>gauging SHC effectiveness</i>	Research Theme 4 <i>PM skills and experience</i>
Question 1: Objective 1 and Objective 2 Reasons for project success/failure AND Question 2: Objective 3 Existing stakeholder management practices	Prototype <i>Stakeholder Circle™</i> AND Success factors and existing practices LEADING TO: Question 3 : Objective 4 Refined and tested Methodology and tool: <i>Stakeholder Circle™</i>	Effectiveness of <i>Stakeholder Circle™</i> Question 3 : Objective 5 Business and construction projects Question 3 : Objective 6 Measures of effectiveness	Question 4: Objective 7 Willingness and capability of PM and project team to use the tool Skills and experience of PM and project team

Figure 1.1 - Research themes

1.4 Research Questions

The following research questions were developed:

1. Does stakeholder management influence project success?
2. What are the essential features of effective stakeholder engagement?
3. Does the use of a methodology supported by a tool such as the *Stakeholder Circle™* increase the effectiveness of stakeholder management?
4. How willing and capable are the project manager and project team to use the *Stakeholder Circle™* methodology and visualisation tool to engage with their key stakeholders?

1.5 Research Scope and Objectives

The following research objectives were developed from the research questions:

Objectives 1 and 2 – from question 1

1. to define project success (and failure)
2. to describe the relationship between project success and stakeholder management

Objective 3 – from question 2

3. to identify and analyse current stakeholder management practices

Objectives 4, 5 and 6 - from question 3

4. to test and refine the *Stakeholder Circle*TM methodology and tool
5. to measure the effectiveness of the tool
6. to evaluate its effectiveness in both business and construction projects

Objective 7 - from question 4

7. to examine the willingness and capability of the project team to use the methodology

1.6 Research Design

The research project is designed to address the research questions listed in Section 1.5. It is conducted in three phases: Phase 1 is the review of the literature on project success and stakeholder management, Phase 2 is an iterative methodology refinement process and Phase 3 uses the descriptive case study technique. The research design is shown in Figure 1.2.

The first two research questions and objectives 1 and 2, seek to examine the influences on project success rates in both business and construction projects. Phase 1 drew on data from existing literature on project success (and failure) to identify that poor understanding and management of the expectations of key project stakeholders affected the perceptions of these key stakeholders about the value and potential, or actual success of the project. Perception of lack of success, or lack of importance, caused key stakeholders to either no longer support the project objectives or actively work against their successful delivery. Additional research in the literature provided a list of the essential factors for effective stakeholder management, namely identification and prioritisation of key stakeholders for each phase of the project, and development of appropriate engagement and communication strategies to ensure that the needs and expectations of these key stakeholders were understood and met. This was Phase 1 of the research.

The list of attributes from Phase 1 influenced the questions for the structured and unstructured interviews; this was the starting point for Phase 3. The same list was used to refine the prototype of the *Stakeholder Circle*TM methodology and toolset, the starting point for Phase 2 addressing question 3 and objectives 4, 5 and 6. Finally question 4 and objective 7 seek to understand how willing and capable the project teams in the study were to engage with their stakeholders using the methodology, visualisation tool and the information developed through use of the methodology, and to what extent the senior management of each of the organisations supported the project team. This was Phase 3 of the research.

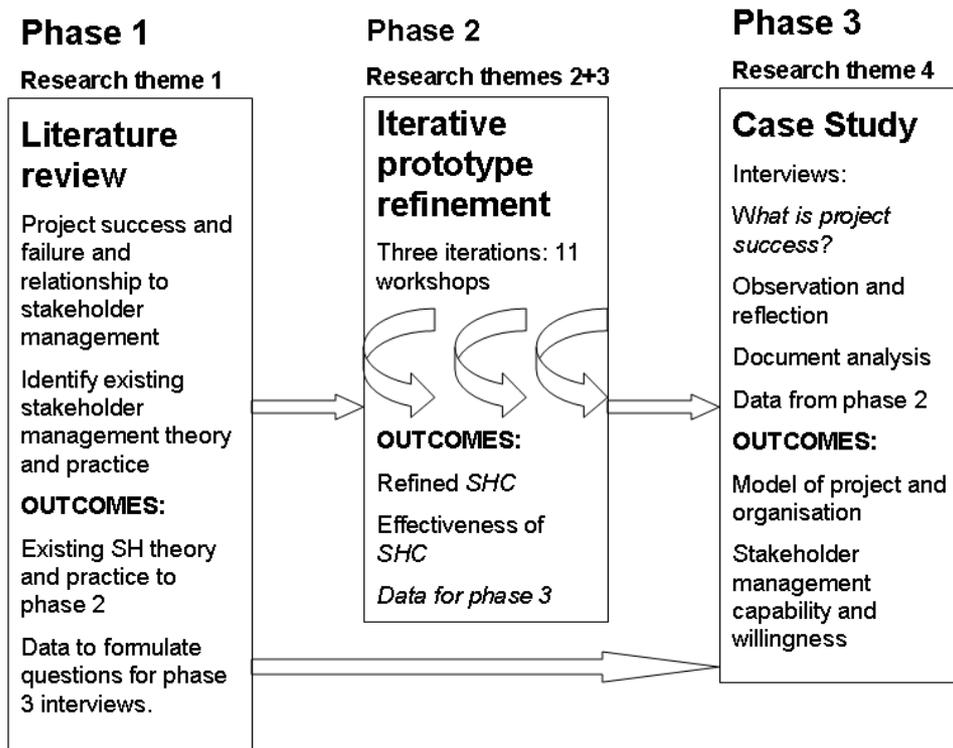


Figure 1.2 - Research design

1.6.1 Theoretical Framework

Alternative approaches offered by the research paradigms of positivist, interpretivist and critical theory, and the research approaches of quantitative or qualitative, the various data collection strategies and the research techniques were examined.

Phase 1 was addressed through a search of the literature to understand reasons for project success or failure and the relationship between project success and stakeholder management..

Phase 2 was identified as best addressed by an iterative process to refine the prototype methodology and toolset of the *Stakeholder Circle*TM. The iterations would use facilitated workshops within participant organisations, continuing until no further opportunity for refinement could be identified. Data collected during those iterations were essential for the further refinement of the methodology and separately as data for the case study. The process of *plan, implement, monitor, and reflect* used in incremental process improvement (Deming, 1982; Carroll and Swatman, 2000) was the foundation for this phase and central to the techniques necessary to meet objective 4.

There were a number of options for Phase 3. The data collected through the iterations of Phase 2 were in the form of observations and questionnaires. The small scale, cross-sectional

timeframe of this mostly qualitative data collection, required a strategy that supported inclusion of Phase 2 data. The selection strategy of Yin (1994) indicated that the descriptive case study was the most appropriate technique for Phase 3.

1.6.2 Limitations of the Research

Limitations to the research need to be acknowledged. Only six projects from five organisations participated in the research. All were medium-sized organisations but skewed to the public sector: only one was privately owned. The findings were based on interpretations of the qualitative data collected and only provided a snapshot of one phase of each project. More research is needed to examine the links between the appearance of the *Stakeholder Circle*TM and the informal power structures of the performing organisation.

Conclusions about the capability and willingness of project managers to be involved in organisational political activities to achieve project success was only a snapshot and will require additional research. However, the nature of the descriptive case study method and interpretivist approach is that a small number of cases qualitatively analysed can deliver a 'valid' or 'plausible' conclusion (Hammersley and Gomm, 2002). More data will need to be collected through other means, and analysed to establish a more complete view of project managers' capability and willingness to operate in the political environment.

The connection between the results of each project's unique *Stakeholder Circle*TM and the structure and culture of the organisation will also require additional research. Data from six projects and five organisations are not sufficient to establish plausibility or validity of the inferences supported by the case study data. It will be necessary to conduct additional research on more complex projects, across complete project lifecycles to develop a robust theory about the links between a project's *Stakeholder Circle*TM and its organisation's informal power structures.

1.7 Structure of the Dissertation

This dissertation has ten chapters. Chapter 1 provides an overall view of the research. It addresses the background to the research, the purpose of the study, the research problem statement and the research program, research proposition, research questions and objectives, research methods and theoretical framework, limitations of the research and structure of the dissertation. The structure is shown in Figure 1.3.

Chapter 2 reviews the literature related to the importance of relationship management for project success. Starting with an examination of the definition of a project as a temporary organisation established to deliver a unique and novel outcome, the literature on project management, stakeholder management, the relationships between the project and its stakeholders and the consequent issues of ethics, trust and commitment is explored. The role of the project manager is examined; the importance of developing skills beyond managing and leading to work within the organisation’s political dimension, with its requirements for understanding power and influence, the importance of communication and the analogous relationship between stakeholder management and risk management. Through the literature review, identification and prioritisation of project stakeholders is emphasised and a methodology and engagement strategy is proposed.

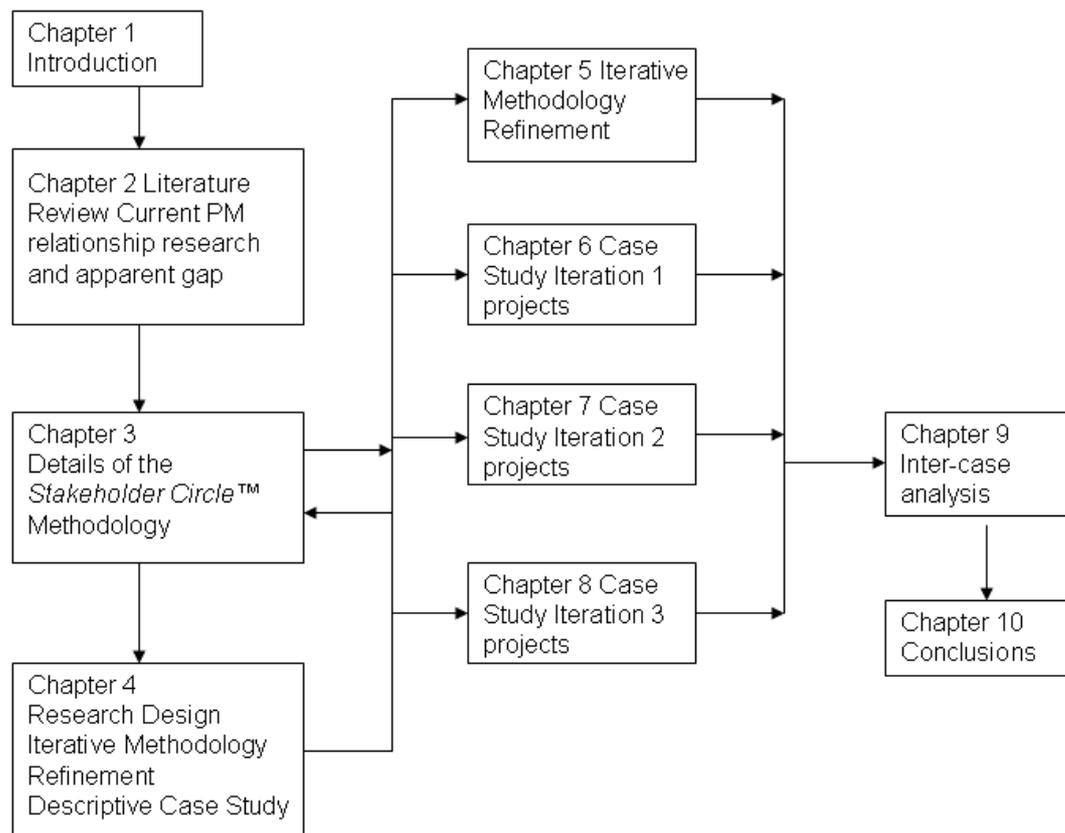


Figure 1.3 - Structure of the dissertation

Chapter 3 describes the *Stakeholder Circle*[™] methodology. It is divided into three sections. Sections 3.1 and 3.3 present the *Stakeholder Circle*[™] methodology and visualisation tool, and its origins. Section 3.2 describes its use, and Section 3.4 examines its value to the project team, to the organisation and to the PM profession itself.

Chapter 4 presents the research approach through a discussion of philosophical and theoretical assumptions that underpin the research, the research strategy, and the research design. The three phases of the research are described.

Chapter 5 describes the process of iterative refinement of the methodology. Section 5.1 gives a brief description of the organisations and the projects that were part of the research, followed by a description of the workshop process. Section 5.2 presents an overview of the iterative methodology refinement process. Section 5.4, 5.5 and 5.6 describes each iteration in detail and Section 5.7 examines the effectiveness of the *Stakeholder Circle*TM as evaluated by the participants.

Chapters 6, 7 and 8 analyse data collected during the research process and summarised as case study descriptions. Six projects in five organisations are described. The projects were three IT projects, one staff accommodation change project, and two construction projects. The organisations were two local government organisations, two regional government departments and one commercial project management firm. Each case description presents: the structure of the organisation; details of my early contacts with the organisation; its culture, and espoused values; a description of the project and its organisation; and how project relationships are managed within that organisation. Each case study concludes with a summary of my reflections on the case.

Chapter 9 presents an inter-case analysis of case studies described in Chapters 6, 7 and 8. The analysis looks at similarities and differences between the cases and is based on research questions 4: *How willing and capable are the project manager and project team to use the Stakeholder Circle*TM *methodology and visualisation tool to engage with their key stakeholders?*

The analysis covers the three levels of the *Stakeholder Circle*TM: methodology, supporting software and visualisation tool. It focuses on evaluations of the usefulness of the methodology, the software support intrinsic to the methodology, and the visualisation tool in identifying key stakeholders and leading the engagement strategy. Finally, through data collected during the workshop evaluations, interviews and observations, the analysis examines the willingness and capability of the project team of engaging the identified stakeholders in the manner suggested by the methodology.

Chapter 10 summarises research findings relating to the research questions, and the contribution of this work to the profession of project management. It concludes with recommendations for further research and practice.

1.8 Summary of the Chapter

This chapter provides an introduction to the dissertation. The main argument of the research is that the key to successful project relationships is in understanding that different stakeholders have different expectations of the project and different definitions of success. The project's success or failure is strongly influenced by both the expectations and perceptions of its stakeholders, and the capability and willingness of project managers to manage organisational politics.

These issues are further explored in Chapter 2 through a review of the literature which lays the foundation for theories and concepts drawn upon in this dissertation.

Chapter 2 - Literature Review and Theoretical Concepts

The purpose of this chapter is to review previous research on project success and its relationship to stakeholder management; to address research question 1: *Does stakeholder management influence project success?* and to examine existing stakeholder management theories and practice to address research question 2: *What are the essential features of effective stakeholder engagement?* Concepts from the literature are examined to define the behaviours and qualities necessary to effectively managing the relationships identified through the application of the *Stakeholder Circle*TM. The skills and knowledge necessary to manage the relationships revealed through the methodology and the willingness to engage with stakeholders are addressed through case studies in Chapters 6, 7 and 8.

The unit of enquiry for this research is the project, with the project manager central to project success. Section 2.1 examines definitions of *project* to extend the standard definition to incorporate perspectives of the project as a temporary organisation and as a means of delivering novelty and change. A discussion of project typologies as a mechanism to enhance management of projects in Section 2.2 is followed by an examination of research on project success and failure in Section 2.3. A perspective of success as the balance between delivery of value, managing risk and building relationships sustained by tailored communication strategies is developed, from a gap noted in the literature. The delivery of value is not in scope for this research and management of risk is briefly described in Section 2.6 in terms of relationship management practice only.

The second part of this chapter explores the relationships between the project and its stakeholders through examining the theory and practice of stakeholder management in Section 2.4 and 2.5. The behaviours and skills necessary for effective relationship management: ethics, leadership, an understanding of the importance of power and politics, and risk management are addressed in Section 2.6. Finally, communication as the link between all the concepts necessary for project success through effective stakeholder management is defined in Section 2.7. Figure 2.1 illustrates the structure just outlined, with emphasis on the connection of communication to relationship management and therefore project success.

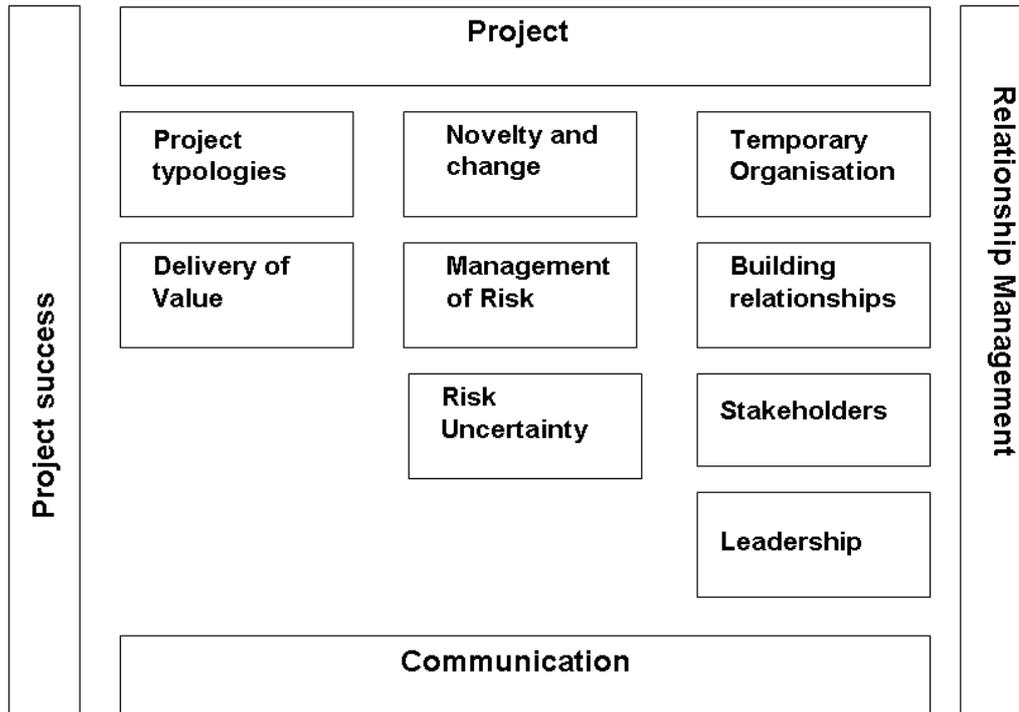


Figure 2.1 - Structure of the chapter

2.1 Project and Project Management Defined

All *temporary endeavours*, from building the Pyramids in Egypt, through developing and refining the instruments of war (guns, ships, missiles, and submarines), building the railways, factories, and other infrastructure in the nineteenth century, to implementation of Information and Communication Technology (ICT) and business change, have required planning, management and control to deliver the desired outcome. Today, many businesses have embraced the concept of projects as a mechanism for delivering strategic objectives (Dinsmore, 1999) with an organisation's success depending on growth through new products, better service, reduced expenditure (Meredith and Mantel Jr, 2000; PMI, 2004). This section addresses the concept of *project* through an extended definition to incorporate the concept of the project as a temporary organisation and its role as a vehicle for delivery of novelty and change. This definition of *project* will illustrate and acknowledge the complexity and risks inherent in delivering project outcomes in today's environment. Figure 2.2 outlines the structure of this section.

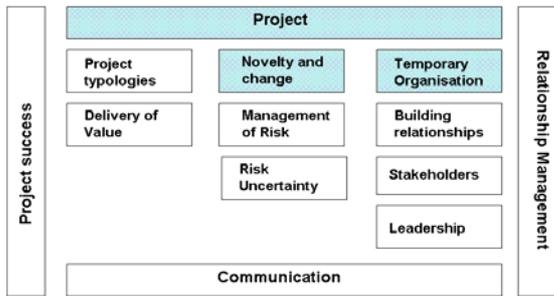


Figure 2.2 – Section 2.1

The most commonly accepted definition of a *project* is: “a temporary endeavour undertaken to create a unique product, service, or result” (PMI, 2004). This definition implies an established objective, a defined life span with a beginning and an end, action to do or create something that has not been done before, and specific time, cost and performance requirements or constraints (Gray and Larson, 2000). Further additions to the definition incorporate the concepts of human, financial and material resources organised in a ‘novel’ way (Turner, 1999).

A temporary endeavour to create a unique product, service or result

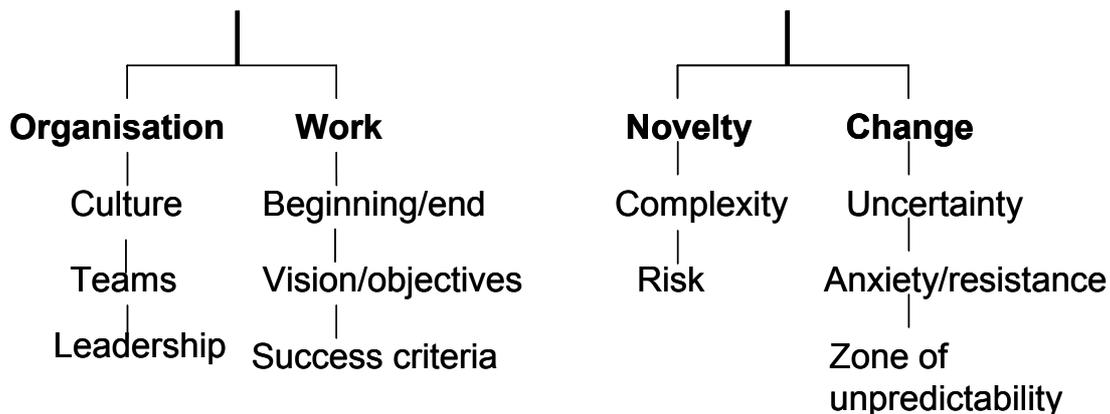


Figure 2.3 - Projects defined based on: PMI (2004); Gray and Larson (2000); Turner (1999)

This expanded definition of a *project* incorporates novelty, constraints, and utilisation of resources into the standard definition. Extension of the definition generates four sub-sections: the project as a temporary organisation; the project as temporary endeavour; delivering a ‘product’ that is unique and novel; resulting in change to the organisation. These sub-sections are illustrated in Figure 2.3. Uniqueness, novelty and change create uncertainty; they also create complexity. Project management needs to balance competing claims on resources between different parts of the project, between the project and other projects and between the project and the organisation. An environment of uncertainty and complexity makes achieving this balance more difficult; the ability to navigate through this environment is what really

defines successful project management, not just controlling time, cost and quality (Turner and Muller, 2003). The concepts of temporary organisation, temporary endeavour, novelty and change will now be examined.

Temporary organisation

Packendorff (1995) describes a theoretical movement away from the concept of project as a tool, a *time-limited sequence of events*, or a general theory of project management where all projects can be managed in the same way; moving towards the concept of a project as a *temporary organisation*. A temporary organisation is composed of individuals who form to deliver work to a common end, rather than merely in terms of inputs and deliverable outcomes. Accepting the concept of project as temporary organisation means accepting that a project will have a culture and a structure, a vision, stakeholders (both supportive and antagonistic to the vision) and teams that require leadership and management to reduce the risk of failure or enhance success.

Temporary endeavour

The work of a project is transient - has a defined beginning and end (Turner, 1999; Gray and Larson, 2000; PMI, 2004), it has temporal boundaries (Packendorff, 1995) and requires initiating, planning, executing, controlling and closing (PMI, 2004). Projects are defined in terms of time available rather than by their duration (Grabher, 2002). Time constraints make well-defined and agreed project objectives and vision essential for successful delivery of project outcomes (Briner, Hastings and Geddes, 1996; Christensen and Walker, 2003). The transient nature and limited duration of project-based endeavours requires additional effort to build effective project teams and generate trust, both within the team and between the team and the project stakeholders (Grabher, 2002) .

Novelty and Change

The activities that create the unique (novel) product or service involve the management of risk - both those that will normally arise in the course of doing work in a temporary organisation and those that will result from the creation of the unique product (Turner, 1999). These activities will be complex, requiring input from, and integration of the work of, many specialists and specialties.

Projects are about change, they deliver change when they deliver the unique or novel project outcome (Kotter, 1990). Managing a project is about managing uncertainty, and managing the

resulting resistance of many stakeholder groups due to their anxiety about the consequences of the change. The work of the project will be carried out in the ‘zone of unpredictability’, the ‘zone’ of decision making and action between the strategic vision set by senior management and the work of teams to realise project success (Bourne and Walker, 2005b).

The Project as Temporary Knowledge Organisation

Projects have been defined as temporary knowledge organisations, based on the premise that the primary instrument of project management is the project team. Knowledge and individuals are applied to deliver the project outcome or solve the project problem (Sbarcea and Martins, 2003). The temporary knowledge organisation (TKO) shares characteristics such as uniqueness, finiteness, uncertainty, and transience with the traditional project organisation. The difference between them is the recognition that predictability is not a reality of project management, and that successful delivery of project outcomes requires the ability to manage within a complex and chaotic environment. The result is that the team members, classified as knowledge workers, generate new knowledge (Svieby, 1997; Sbarcea and Martins, 2003). The requirements of project team members to be knowledge workers leads to additional expectations of the leadership qualities of the project manager. The TKO project organisation concept is selected to describe project organisations in this dissertation

2.1.1 The project as part of the organisation

As with any organisation, the project organisation¹ must operate in the context of the world outside itself, delivering according to the expectations of the performing organisation² within the constraints defined by that organisation, in a highly complex and ever-changing environment. Traditional definitions of *project* do not fully acknowledge the importance of the performing organisation in the creation of projects, and the organisation’s importance in contributing to the success of the project. The project has its own organisation and is also part of the performing organisation. Projects are temporary organisations *within* larger more permanent organisations, and may exhibit variations in structure compared to the performing organisation (Shenhar and Dvir, 2004). Figure 2.4 illustrates this concept.

¹ Those who contribute to the delivery of project outcomes, the project management team.

² The organisation whose personnel are most directly involved in the work of the project, and which will benefit most from the project outcomes. PMI (2004). A Guide to the Project Management Body of Knowledge. Sylvania, NC, USA, Project Management Institute.

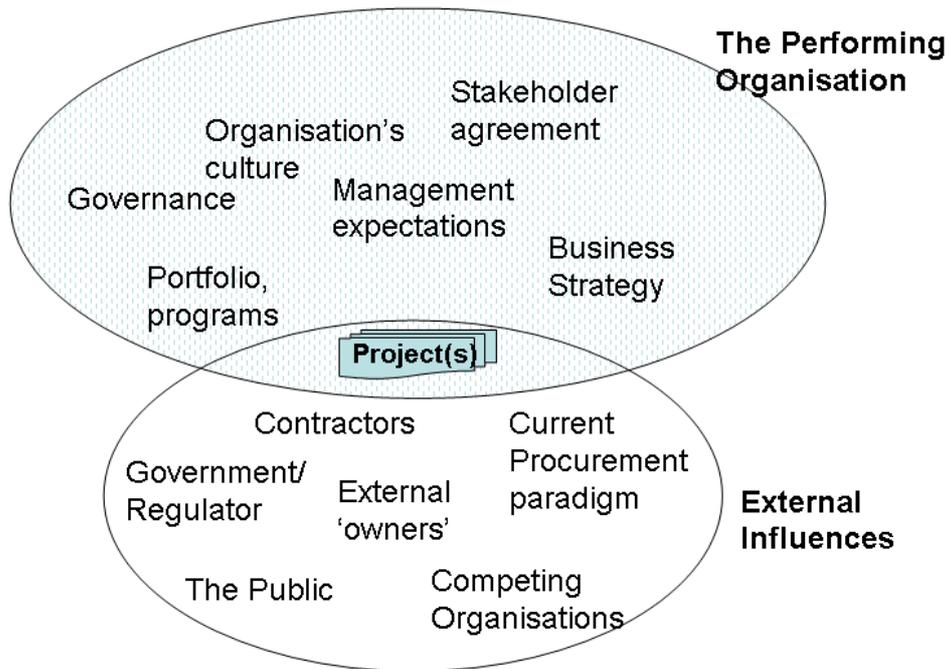


Figure 2.4 -The project as part of the performing organisation

The project organisation is part of the performing organisation, with influences on the project from within the performing organisation and outside it. These influences shape the culture and methods of the project organisation in ways that can be quite different from the performing organisation. The business strategy of the performing organisation establishes the project deliverables. The organisation's governance structure will provide the authority for the project to commence and ensure that funds are allocated at appropriate times. Governance processes must also ensure that the project deliverables are relevant to the strategic directions of the organisation (PMI - Project Management Institute, 2003).

The structure of the performing organisation will define the power relationships within the management framework of the organisation. The management framework coupled with the effects of the organisation's culture will be responsible for setting the expectations of the management team and other stakeholders. In the same way, the influence of external organisations will affect the project and its ability to deliver its objectives. Concepts of power and culture are addressed in Section 2.6.

2.2 Project typologies

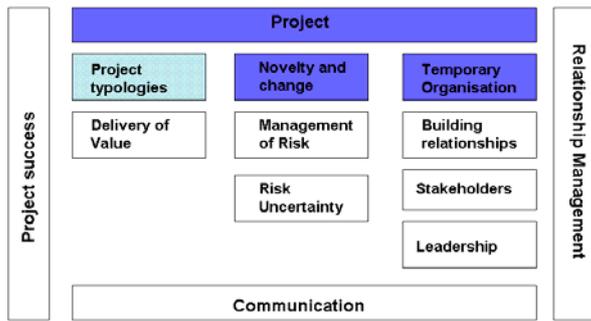


Figure 2.5 – Structure of Section 2.2

The definition of a project discussed thus far assumes that one set of techniques and tools applies to all projects (Shenhar and Dvir, 2004), or that the problems that projects may encounter are always the same (Packendorff, 1995). There appears to be a consensus forming that project management is anything but universal and that different projects may need to employ different management and organisational styles (Briner, Geddes and Hastings, 1990; Turner and Cochrane, 1993; Packendorff, 1995; Dvir, Shenhar and Alkaber, 2003; Shenhar and Dvir, 2004). Frameworks or models for classification of projects have been developed to guide organisations in selection of project managers, project teams, and methods, to ensure more effective management of projects, whether traditional engineering projects or *dot.com* projects (Dvir, et al., 2003).

The best known typologies are the Project Typology Continuum (Briner, et al., 1990) with classifications from well-defined, easily planned projects to ambiguous, unpredictable ones; and the Goals and Methods Matrix model (Turner and Cochrane, 1993) which focuses on levels of definition of project goals and the methods to achieve them. These typologies have been useful in guiding the planning and controlling of different types of projects, and supporting the leadership and management of projects. They provide guidelines for the definition and achievement of project success. A more recent attempt to develop guidelines for managing the diverse range of projects is the Novelty, Complexity, Technology Uncertainty and Pace (NCTP) Model which addresses projects in terms of their novelty, complexity, technology uncertainty, and pace, in combination (Shenhar and Dvir, 2004). The next section of this paper describes each of these typologies in turn: the Project Typology Continuum, the Goals and Methods Matrix and the NCTP model.

2.2.1 Project Typology Continuum

The Project Typology Continuum (Briner, et al., 1990) is illustrated in Figure 2.6. In this model project types are categorised by how well they are defined, the tangibility of the project outcomes, and the formality of its structure, administration and control mechanisms (Briner, et al., 1990). The resulting ‘continuum’ consists of three broad types of project. At the ‘high’ end, *Concrete* projects have clear objectives - high definition of output, and clearly defined processes to achieve them, demonstrated by a high level of structure and role definition and the application of knowledge based on previous experience. *Occasional/Temporary* projects have generally well-understood objectives, but unclear processes, while, at the ‘low’ end of the continuum, *Open* projects have unclear objectives, uncertainty about the outcomes and unclear means of achieving them, because they will be attempting new approaches or developing new products. Construction, ship building, and major event projects are examples of *Concrete* projects, change and other business related projects are examples of *Occasional/Temporary*, while R&D projects are examples of *Open* projects.

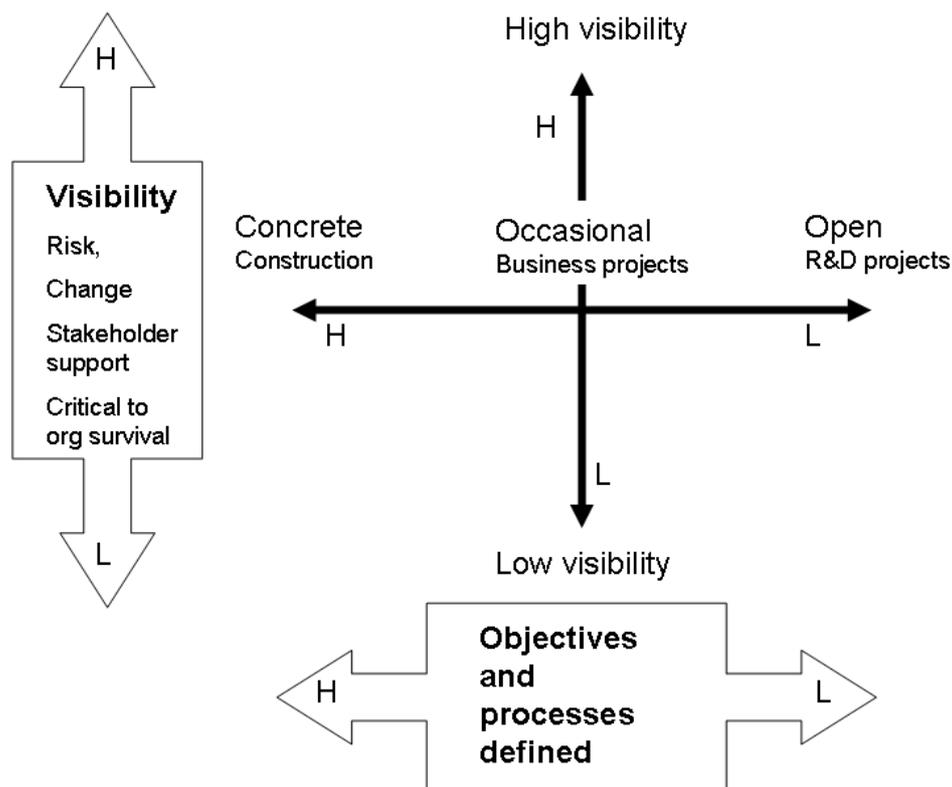


Figure 2.6 - Project typology adapted from Briner, et al. (1996)

The concept of *Visibility* is overlaid on the Continuum and can apply to any type of project: *Concrete*, *Temporary* or *Open*. *High Visibility* projects are defined as high risk, delivering major change, supported by their stakeholders, and critical to organisational survival; *low*

Visibility projects exhibit the properties of low risk, low levels of attention, and minimal impact on organisational survival.

Application of this Continuum supports the selection of the most appropriate methods for management of the project and the most appropriate leadership strategies and skills (Briner, et al., 1996). For *Concrete* projects the project manager must integrate the work of the many specialist team members, and maintain procedures for measurement and control throughout the project. *Occasional* projects often do not have roles and relationships clearly defined, and generally consist of part-time members; even the project manager may be part-time. In this case the project manager must use a flexible approach and be willing to continually reassess project objectives and environment. Team members of *Open* projects will gravitate to the project through interest in the work or interest in the outcomes; these team members are generally self-organising and experimental and do not need a formal leader, only a common purpose (Briner, et al., 1996).

2.2.2 Project Goals and Methods Matrix

The Goal and Methods Matrix (Turner and Cochrane, 1993) classifies projects according to two dimensions – goal definition and method definition. Four types of projects are defined by way of this matrix, with types 1, 3 and 4 being equivalent to the three types of the Project Typology Continuum. The matrix is shown in Figure 2.7.

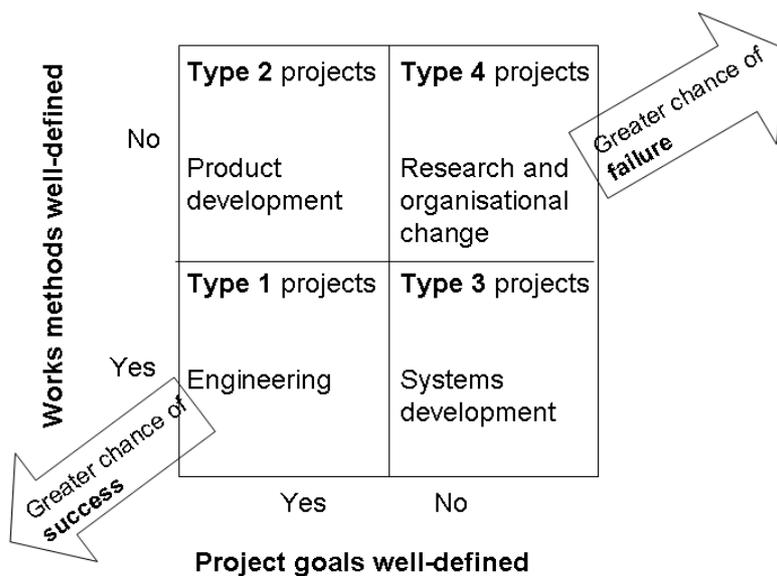


Figure 2.7 - Goals and Methods Matrix (Turner, 1999)

Type 1, where goals and methods are well-defined, is typified by traditional engineering, telecommunications, and construction projects with large dedicated teams, and several sponsoring organisations. Type 2 where goals are well-defined but methods are not, is typified by product development projects where the functionality of the product is known, but not how it will be accomplished. In Type 3, goals are poorly-defined, but methods are well-defined; ICT projects fit into this category. Type 4, goals and methods are poorly defined, and are typically research or organisational change projects.

The Goals and Methods Matrix model focuses on appropriate approaches to planning as the way to achieve project success; project management techniques may be inferred, whereas the Project Typology Continuum is focused on defining the appropriate project management approach.

2.2.3 The NCTP Framework

The NCTP Framework (Shenhar and Dvir, 2004) is based on four dimensions: novelty, complexity, technology uncertainty, and pace, shown in Figure 2.8. Novelty in this model is related to product novelty from improvement of existing products - “derivative”, to creation of entirely new products – “new-to-the-world” (Shenhar and Dvir, 2004). The impact of novelty on projects is related to the accuracy of estimates and consequent project planning and management. “New-to-the-world” products will have greater uncertainty of process, timeframe and cost than products that have already been in the marketplace for some time and whose characteristics and features are better known. The focus on the dimension of novelty to enhance project success is on product definition and market-related activities of pricing, time-to-market and customer acceptance.

Complexity in this model is related to scope and is affected by the size of the project, its interdependencies, the number and variety of the elements of that project. Pace refers to the time-related aspects of project outcomes, a combination of estimated time and urgency. Technology uncertainty is a major cause of task uncertainty; the more novel or complex the technology, the longer the development phases, with more design iterations, and more testing required.

Complexity of system scope combined with technological uncertainty are more risky and are more prone to problems than other combinations of factors (Shenhar and Dvir, 2004). For these projects selection of project managers and management styles is most critical;

integration issues and problems of interface require more technical and project management experience than most other types of projects.

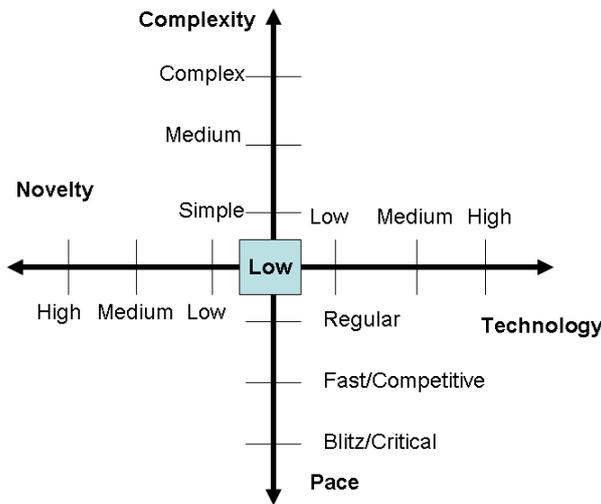


Figure 2.8 - NCTP framework based on Shenhar and Dvir (2004)

The NCTP framework was designed to assist project managers to select an appropriate style of leadership, team management, project structure and processes to ensure project success. The selection process can be facilitated through reference to a matrix of Project Characteristics and Technology Uncertainty³, a matrix of Project Characteristics and System Scope Levels⁴ and a matrix of Product Novelty and impact on project management (and product management).⁵ The NCTP framework is more comprehensive than the other two typologies described in this section. It offers an approach more in line with the needs of today’s projects, where distinctions between business projects and construction projects are blurred, and the issues are more about complexity, technology, speedy delivery and value to the organisation.

The three project typologies just described were developed to assist organisations in understanding the most appropriate ways to manage projects through understanding their characteristics. Appropriate approaches to planning are the key to project success in the Goals and Methods Matrix, for the Project Typology Continuum it is selection of the appropriate project management approach, and for the NCTP framework it is assessment of the interrelationship between a project’s novelty, complexity, technology uncertainty and pace which drives the selection of the appropriate strategies and personnel. All of these approaches

³ Appendix C

⁴ Appendix D

⁵ Appendix E

are advances on previous formulae for management of the traditional triple constraints of time, cost and quality and will contribute to a project’s success, but not necessarily prevent its failure. The next section examines the literature for definitions of project success and failure to identify how successful projects differ from those that are considered to have failed, and to develop a perspective on what needs to be done to reduce the risk of failure and increase the chances of project success.

2.3 Project success/failure

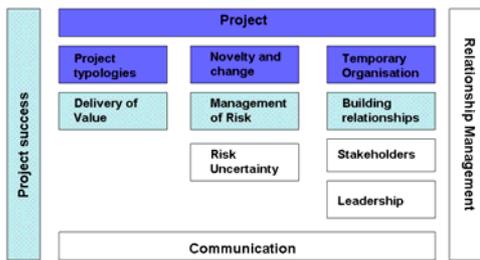


Figure 2.9 - Structure of Section 2.3

When projects fail, the performing organisation is affected because some aspect of its strategic objectives will not be delivered as planned, scarce resources will be wasted and individuals and groups (stakeholders) who had expected some benefit from the outcome of the project will be negatively impacted. This section explores definitions of project success (and failure) in the context of the extended definition of a project and the causes of project failure. A model of project success that integrates the many causes of project failure found in the literature is developed.

Research into project failure has attempted to quantify its impact on organisations. The 1994 CHAOS Report (Standish Group, 1994; Standish Group, 2004) stated that at least 30% of Information Technology-related projects were cancelled before completion – ‘failed’, and only 16% were completed on time and on budget with the average cost overrun being 180% of the original estimate. In that report the executives who sponsored the IT systems projects considered only 13% of them successful (Vandersluis, 1997). By 2003, the situation had improved: 34% of all projects were considered successful, and project failures had declined to 15% of all projects, with the average cost overrun reduced to 43% of the original estimate, and 52% of the original features and functions actually being included in the released product (Standish Group, 2003). Results were similar for engineering construction projects (Morris and Hough, 1993). The CHAOS research confirmed that user involvement, executive support,

and clear business objectives, and the leadership of an experienced project manager in combination, increased the chance of success to 65% (Hancock, 1999).

A different perspective links project success with three dependant relationships, the *triangle of dependence*: the way “an information system is fashioned through its project organisation’s activities; the project organisation requires support; and supporters need a payback from the system” (Sauer, 1993:55). These three relationships are shown in Figure 2.10. The coalitions of an information system consist of those who do the work of design, development and operations as well as those who expect the end product will serve their needs or interests (Sauer, 1993). In this coalition, supporters must provide funding, resources, materials, timely decisions and political power in the form of social legitimacy and information. The objective is to ensure that the project organisation can get on with its work of delivering the agreed functionality on schedule and within budget. “Failure occurs when the level of dissatisfaction with a system is such that there is no longer enough support to sustain it” (Sauer, 1993:56).

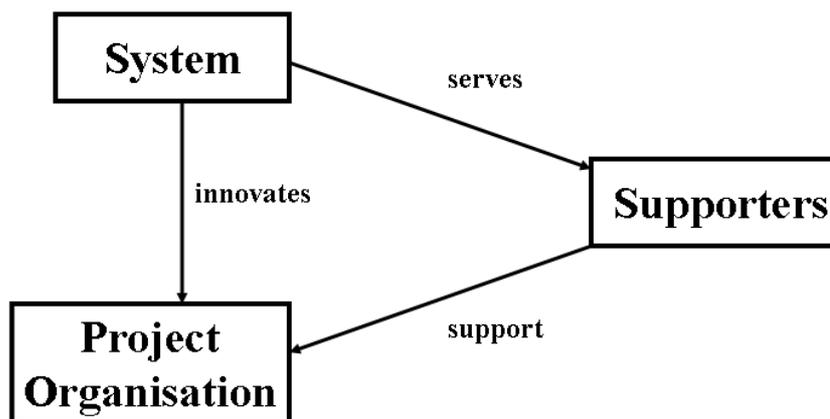


Figure 2.10 - The triangle of dependence (Sauer, 1993:56)

The insights offered by the *triangle of dependence* focus on the human aspects of project delivery and personal views of success. Project success or failure is strongly related to the perceptions of each individual project stakeholder and their willingness and ability to act either for or against the project. Therefore, failure could be supporters’ perceptions of expectations not met, or promises not delivered, or the belief that the support (resources) could be applied elsewhere. These perceptions are not necessarily based on logic, but often on the quality of the relationships between the project and its stakeholders.

The Project Management Institute (PMI) commissioned Athabasca University to examine project management practice in all sectors and industries (Thomas, Delisle and Judgev, 2001).

Questionnaires were distributed to around 35, 000 individuals belonging to associations with membership of project professionals, including PMI, ESI-International (a project and contract management training and consulting Company), and Professional Engineers of Ontario. The report found that project failure, through not delivering project scope on time or within budget, by not meeting the expectations of stakeholders, dominated all sectors and industries. These findings are supported by others (Pinto and Prescott,1990; Thomas, Delisle and Judgev, 2002).

Other research defines the failure of projects as:

- Poor alignment between the solution and organisation's strategy, business requirements or priorities (Canadian Management Accounting Society, 1998)
- Lack of top management involvement and support (Jiang and Klein, 1999)
- Disregard for risk, testing, training (James, 1997)
- Denial that the project is in trouble (James, 1997)
- Use of 'bleeding edge' technology on a high profile project (Glass, 1998)
- Deemed to have failed by stakeholders (Lemon, et al., 2002).

From the reviewed literature it can be concluded that project success is influenced by:

- The level of knowledge, skills, and experience of the project manager and project team
- Appropriate and consistent use of project management tools, processes and methodologies
- Alignment of the outcomes of the project to organisation strategy
- Managing the expectations of project stakeholders
- Appropriate, timely and consistent involvement by users and managers
- Timely management of risk.

Successful project management depends on balancing the conflicting requirements of managing within the constraints of time, cost and quality to deliver the defined strategic benefits to the performing organisation through a temporary organisational structure. At the same time the needs and expectations of the project's stakeholders must be managed within an environment of uncertainty and ambiguity.

2.3.1 Elements of project success

The six categories of project success defined in the previous section can be further refined into three interrelated elements: delivery of value, management of risk and building and maintaining project relationships, as described in Table 2.1.

Value is delivered to organisations not just through managing a project’s schedule, budget, and quality/scope, but also through ensuring that the project fulfils the appropriate conditions for its benefits to be realised. An additional component is the provision of accurate, timely, and focussed reporting as the essential tool for communication to project stakeholders. Defining, delivering and measuring the value to the organisation is the first of the three interlocking elements of project success. The second element is the management of risk and exploitation of opportunity, within limits acceptable to the performing organisation. The third element is managing relationships within and around the project through balancing conflicting stakeholder needs and wants. All of these elements require the application of project management skills and knowledge. The concept of the blend and balance of these three elements of project success were synthesised from the literature; addressing a gap noted in the body of project research.

Table 2.1 - Elements of project success

Delivery of Value	Managing Risk	Managing Relationships
Appropriate and consistent use of project management tools, processes and methodologies	Identification and management of project risk	Managing the expectations of project stakeholders
Alignment of the outcomes of the project to organisation strategy	Development of strategies for managing in environments of uncertainty	Appropriate, timely and consistent involvement by users and managers
PM skills and knowledge	PM skills and knowledge	PM skills and knowledge

Figure 2.11 describes the interrelatedness of project success and the centrality of stakeholders. It is important for the project manager and project team to understand how stakeholders perceive project value and then to align management of the project and the performance metrics to the expectations generated from these perceptions: or to negotiate within the relationships to align expectations with feasible project outcomes.

Each of the ‘elements’ is essential to project success, but none of them can be clearly defined in isolation to the others, nor can stand alone as more important than any other. Delivering

value through managing schedule, budget, scope/quality, and the realisation of business and organisational benefits is not just about conformance to the project plan. Delivering value requires managing project relationships and managing risks by ensuring that the expectations of all stakeholders are met with regard to *what* is delivered as well as *when* and *how*.

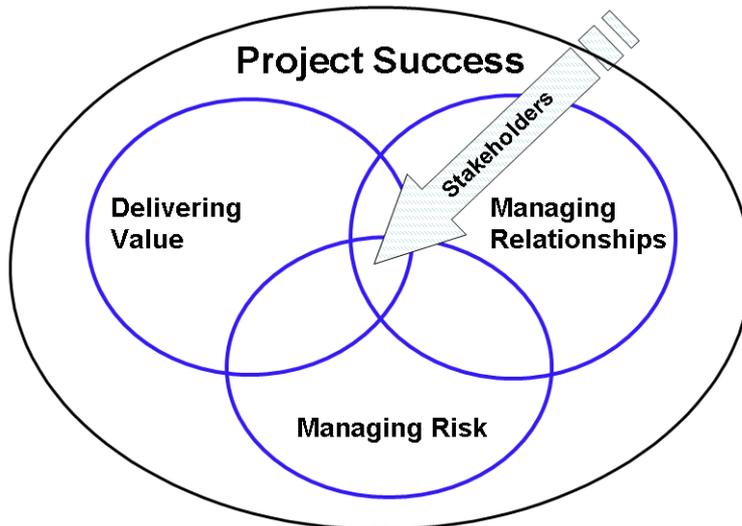


Figure 2.11 - The three elements of project success

Delivery of value has been described briefly in this section in terms of delivery of stakeholder’s expectations of the project. Management of risk will be addressed in Section 2.6 of this dissertation as an essential part of management of project relationships. Central to this perspective of the three elements of project success is the stakeholder. The remainder of this chapter will focus on managing project relationships for project success, firstly exploring the theory and practice of stakeholder management and the behaviours and skills necessary to build and maintain project relationships.

2.4 Stakeholder Theory

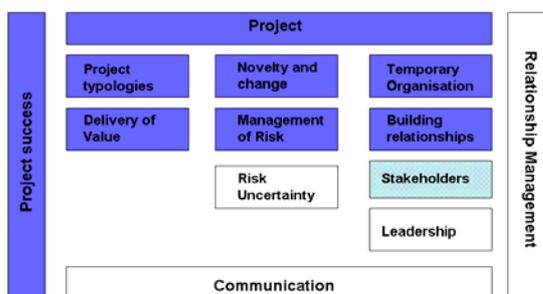


Figure 2.12 – Structure of Section 2.4

Section 2.1 defined projects as temporary organisations exhibiting the features of all organisations, including structure, culture, and relationships. In the project organisation the project manager must balance the needs and expectations of the project's stakeholders to ensure successful delivery of the project's objectives. Despite being the leader of this temporary organisation, a project manager may have no formal power over the project's stakeholders and must rely on an ability to cultivate relationships and use influence strategies to achieve project objectives (Gadekan, 2002). This section examines the general concepts and theories of 'stakeholders' and stakeholder management and addresses research question 2: *What are the essential features of effective stakeholder management?*

2.4.1 Stakeholders defined

The seminal definition of stakeholders is: *"any group or individual who can affect or is affected by the achievement of the organisation's objectives"* (Freeman, 1984). Stakeholder management has been described as a 'tool' for strategic management (Langtry, 1994). 'Organisational wealth' can be created (or destroyed) through relationships with stakeholders of all kinds; managing relationships with stakeholders for mutual benefit is essential for corporate success (Post, Sauter-Sachs and Preston, 2002). This means that stakeholders themselves can benefit from the creation of value to an organisation, or be adversely affected (Schneider 2002); they may voluntarily or involuntarily bear some risk through the organisation's act of value creation (Clarkson, 1994). Stakeholder theory blends concepts of business with concepts of ethics (Freeman, 1994).

The relationships between the project organisation and its stakeholders are essential for success (Leana and Rousseau, 2000) and are the most appropriate way of coping with environmental turbulence and uncertainty (Savage, Nix, Whitehead and Blair, 1991). Going beyond the idea of value creation, stakeholder relationships can contribute knowledge, insight and support in shaping the project vision and objectives as well as supporting its execution, but often require negotiation to achieve consensus from key stakeholders about what should be done and how (Savage, et al., 1991). For project success, the project manager must know how to work within the organisation's cultural and political environment to ensure that both the project organisation and its stakeholder community have their needs met (Pinto, 1998; Pinto, et al., 1998; Post, et al., 2002). The concepts of ethics, power and politics will be addressed in Section 2.6.

The definition of *stakeholder* that will be the basis for this research into project relationships is:

Stakeholders are individuals or groups who have an interest or some aspect of rights or ownership in the project, can contribute in the form of knowledge or support, or can impact or be impacted by, the project.

Stakeholders have a *stake* in the outcomes of the project. It could be an Interest, a Right or Ownership (Carroll and Buchholtz, 2000). An Interest is a circumstance in which “*a person or group will be affected by a decision; it has an interest in that decision.*” A Right is either a “*legal right when a person or group has a legal claim to be treated in a certain way or to have a particular right protected*” or a “*moral right*”. Ownership is a circumstance “*when a person or group has a legal title to an asset or a property*” (Carroll and Buchholtz, 2000:65). Most project stakeholders will have an Interest; many will have a Right, such as people with a disability or citizens with a right to privacy. Some will have Ownership, as in a worker’s right to earn a living from personal or specialist knowledge, or shareholders in an organisation. The *Australian Copyright Amendment (Moral rights) Act 2000* assigns rights of ownership as a moral right to authors of literary, dramatic, musical, and artistic works (Morrison, 2001). It is mandatory to consider what a stakeholder’s stake actually is when trying to define expectations or project impacts.

Stakeholder theory has been extended to address moral issues and values to the temporary project organisation (Phillips, Freeman and Wicks, 2003); and to include the concept of the organisation with interlocking relationships, and a focus on management doing the ‘right thing’ (Simmers, 2004). The need to balance the conflicting interests of the organisation and stakeholder interests will be inevitable (Frooman, 1999).

Stakeholder theory attempts to identify the fundamental question of which groups of stakeholders deserve or require attention. This is termed ‘salience’, and refers to how managers prioritise competing stakeholder demands (Mitchell, Agle and Wood, 1997). An additional focus is on the relationship dynamics between stakeholders and the organisation as well as between stakeholders. Stakeholder relationships have been described as a “network of influences” where stakeholders are likely to have direct relationships with one another, as well as the “dyadic ties” between an organisation and each of its stakeholders (Rowley, 1997).

2.4.2 Managing project relationships

Relationships with an organisation's entire network of stakeholders are essential for the long-term survival of the organisation itself and the success of the project organisations operating within it (Post, Preston and Sachs, 2002). These relationships must be managed in ways that best meet stakeholders' needs and expectations (Savage, et al., 1991), by identifying groups or individuals who can supply the project with critical resources, bear additional risk or have the power to affect the outcomes of the project (Post, et al., 2002).

Methods for identification of stakeholders are developed in the literature. Briner, et al. (1996) identified four sets of stakeholders: client; project leader's organisation; outside services; and invisible team members. Cleland (1995) recognised the need to develop an organisational structure of stakeholders through understanding each stakeholder's interests and negotiating both individually and collectively to define the best way to manage stakeholder needs and wants. Figure 2.13 provides a stakeholder model that includes groups and individuals that are 'invisible': their connection to the project is not immediately clear, but whose cooperation and support are vital for project success (Walker, 2003).

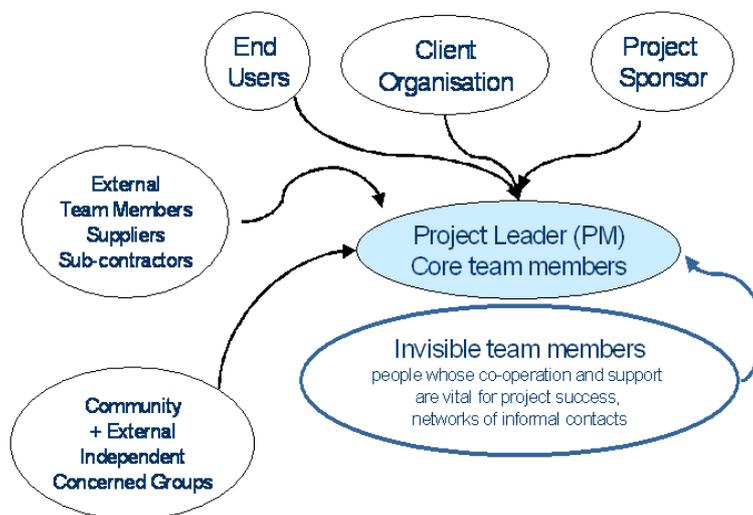


Figure 2.13 - Stakeholder model (Walker, 2003)

'Legitimate and valid' stakeholders need to be identified and their power and influence understood to manage their potential impact on projects. Identification of stakeholders is part of the project planning process, and consists of listing all individuals and groups considered by the project team to have the potential to impact the project or be impacted by it. Appropriate strategies can then be formulated and implemented to maximise a stakeholder's positive influence and minimise any negative influence. This becomes a key risk-management

enhances understanding of the *project environment* as a network of relationships within and around the project organisation. The project environment is presented in Section 2.6.

2.5 Methodologies and tools for visualising stakeholders

This section addresses research objective 3: *to identify and analyse current stakeholder management theories and practices from the literature*. Table 2.2 summarises a selection of methodologies developed by individuals, companies, universities and government bodies for stakeholder identification and management.

Table 2.2 - A selection of methodologies for identification and management of stakeholders

Methodology	Individual, Group or Organisation	Comments
Stakeholder Identification and Management (without categorisation)	(Elliot, 2001; Svendsen, Boutilier, Abbot and Wheeler, 2004; Centre for Innovation in Management, (nd); Thomsett, 2002)	The methodologies are robust and can be effective in an environment that supports performance management and planning
Definition of categories of stakeholders	(Savage, et al., 1991) (Mitchell, et al., 1997)	Four generic types – supportive, mixed blessing, no-supportive, marginal; Eight part stakeholder typology based on assessments of the strengths of three attributes: power, legitimacy and urgency
Comprehensive stakeholder identification, assessment and engagement	(Cleland, 1999) (Briner, et al., 1996)	Identify stakeholders and their interest, measure this interest, attempt to predict stakeholders' future behaviour and its impact on the project and project team. Focus on communication as important part of stakeholder management
Focus on enhancing economic value and organisational wealth as well as recording what stakeholders require from the project	(Fletcher, Guthrie, Steane, Roos and Pike, 2003) (Frooman, 1999) (Turner and Veil, 2002)	A process for mapping stakeholder expectations based on value hierarchies and Key Performance Areas (KPA), An analysis of ways organisations can plan their stakeholder management strategies, rather than response strategies. A more holistic process of identification, assessment of awareness, support, influence, culminating in development of a stakeholder knowledge base
Network Governance and Social network theory	(Jones, Hesterly and Borgatti, 1997; Rowley, 1997)	There are more connections in the stakeholder community than the 'dyadic ties' that usually describe stakeholder relationships. The density and centrality of these connections are important to gauge relative power and communication within the stakeholder community.
<i>Stakeholder Circle</i> ™ visualisation tool and methodology	(Bourne and Walker 2003; Bourne and Walker 2005a; Bourne and Walker 2005b.	Continual process for identification, prioritisation, engagement strategy for developing long-term relationships

Other researchers have provided insight into the importance of stakeholders for enhancing organisational wealth and economic benefits, and how to gauge the project stakeholders' requirements. A process for mapping stakeholder expectations based on value hierarchies and Key Performance Areas (KPA) has been defined (Fletcher, et al., 2003). Stakeholders can be classified according to potential for threat and potential for cooperation (Savage, et al., 1991); or by their power to influence, the legitimacy of each stakeholder's relationship with the firm, and the urgency of the stakeholder's claim on the firm (Mitchell, et al., 1997). Other methodologies provide a useful tool for visualising power and influence patterns in social network mapping (Jones, et al., 1997; Rowley, 1997). A more holistic process for stakeholder management consists of identification, assessment of awareness, support and influence. This assessment leads to strategies for communication and assessing stakeholder satisfaction, culminating in development of a stakeholder knowledge base which provides knowledge of who is aware or ignorant and whether their attitude is supportive or opposing (Turner, 2002). Yet another comprehensive approach describes processes for identification, assessment, and engagement of stakeholders (Briner, et al., 1996). These authors have influenced the *Stakeholder Circle*TM methodology outlined in Chapter 3. The literature is comprehensive in addressing the identification and management of project stakeholders, but *only as a static approach*. There is no discussion in the literature reviewed for this research of the need to re-assess the project's stakeholder community as conditions change. This is noted as a gap in the literature.

Building on features of these methodologies and techniques to identify key stakeholders and their influence patterns, a visualisation of stakeholder influence and impact can now be constructed. The concepts of *power, legitimacy and urgency* (Mitchell, et al., 1997) are valuable for identifying important stakeholders, as is the idea of centrality and density (Rowley, 1997) for attempting to recognise and show the power and communication ties within the stakeholder community. Development of an appropriate engagement strategy has built on the work of Briner, et al. (1996) and Turner (2002).

Figure 2.15 illustrates the prototype *Stakeholder Circle*TM, developed to assist project managers and their teams identify the project's key stakeholders for any specific time in a project's lifecycle. It is described in detail in Chapter 3 of this dissertation; Chapter 5 describes the testing and refining of the prototype.

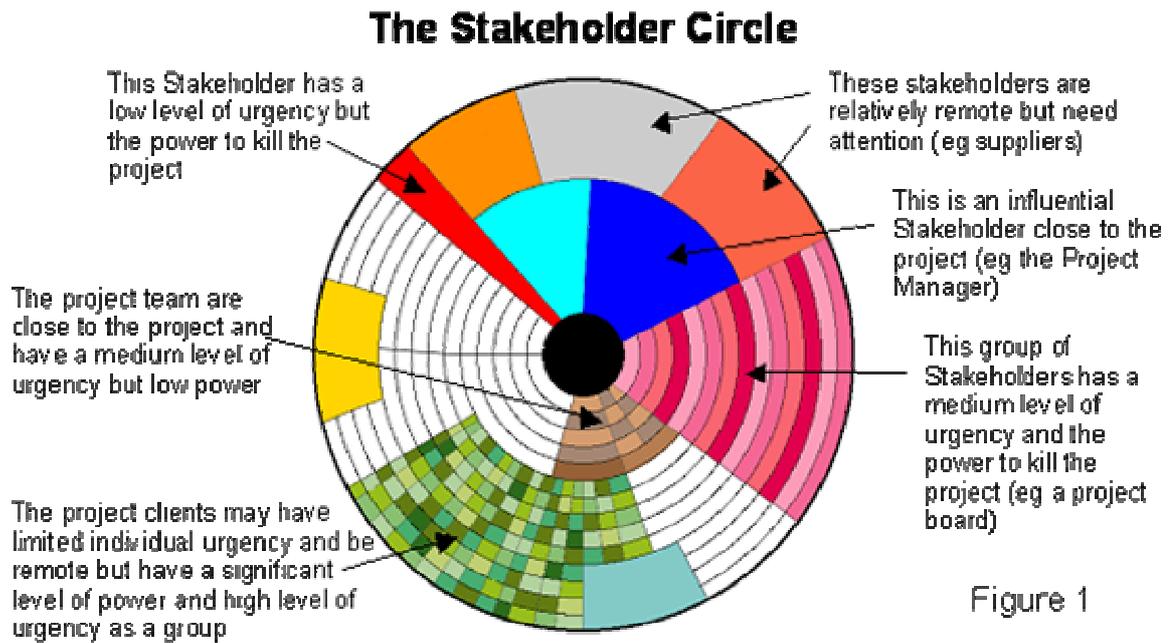


Figure 2.15 - The Stakeholder Circle™

Key elements of the *Stakeholder Circle*™ are: concentric circle lines that indicate distance of stakeholders from the project manager; patterns of stakeholder entities that indicate their homogeneity, for example a solid shade indicates solidarity while shaded or colour-fading can indicate heterogeneity in presenting an interest; the size of the block, its relative area covered of the *Circle*, indicates the scale and scope of influence; and the radial depth can indicate the degree of impact or power to ‘kill’ the project. This methodology and tool has been developed to simplify the task of understanding the expectations of project stakeholders to minimise negative stakeholder impact.

2.6 Managing Relationships

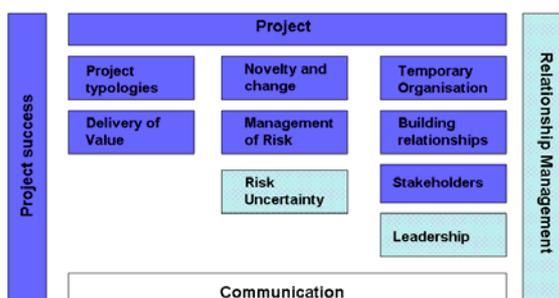


Figure 2.15 - Structure of Section 2.6

Current theories and practices of stakeholder management were identified in the previous sections and the prototype *Stakeholder Circle*TM was described. The remainder of this chapter will examine the behaviours and skills necessary to build and maintain robust relationships with the project stakeholders. The project environment, the network of relationships within and outside the project, is the foundation of this discussion; it will be described first, followed by an examination of the leadership behaviours, skills and knowledge necessary to operate within the political structure of the environment of the performing organisation. A gap in the literature on an integrated approach to definition of project leadership skills and knowledge is noted, and addressed through the concept of three dimensions of project management skills and knowledge.

2.6.1 The Project Environment

Project relationships are the relationships between the project manager and the project stakeholders, and between the project stakeholders themselves (Frooman, 1999). These relationships have been defined as ‘lookings’ (Briner, et al., 1996); I have extended this concept as ‘directions of influence’. The concept of the *project environment* has been developed from these views of project relationships. The project environment is a seven-element framework forming the network or ‘sphere of influence and support’ on which a project depends for its very existence. It represents the relationships within and around the project, and is shown in Figure 2.16.

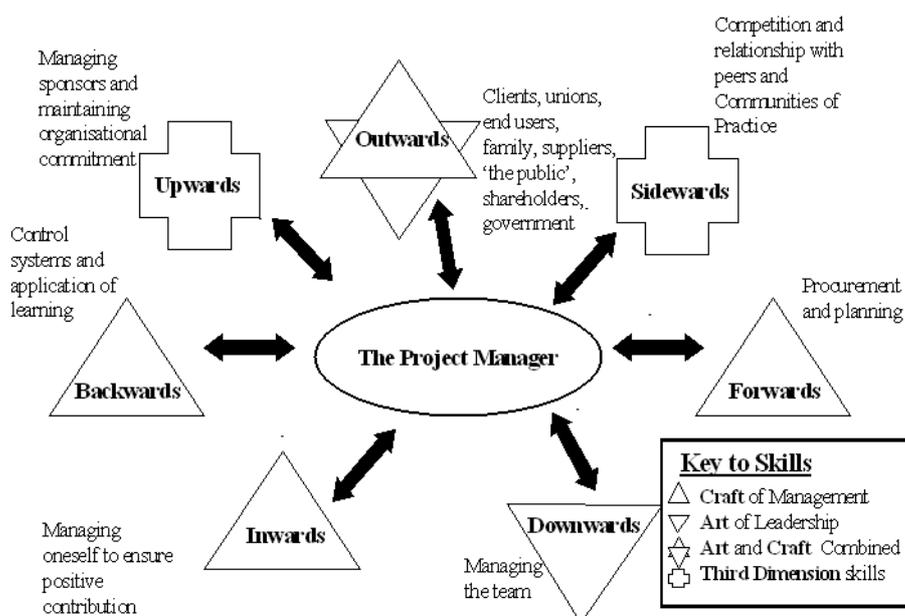


Figure 2.16 - The project environment - (Bourne and Walker, 2003) adapted from Briner, et al. (1996)

There are two major aspects of managing within the project environment: the skills and knowledge that the project manager must have to be successful, and the ‘directions of influence’ in which the project manager must operate, also to be successful. These seven ‘directions of influence’ are *forwards*, *backwards*, *upwards*, *downwards*, *inwards*, *outwards*, and *sideways* and have been incorporated into the *Stakeholder Circle*TM methodology to support identification of project stakeholders.

Managing the *forwards* component of the project environment is about anticipating and planning; *backwards* is about developing and maintaining appropriate control systems, historical records and the explicit and implicit knowledge of others. These are essential aspects of the *craft* of Project Management. Managing *upwards* is about developing and maintaining robust relationships with those senior managers whose support is vital to maintain organisational commitment to the project; not all senior managers are important to project success. Managing *downwards* is about managing the team. Managing *inwards* is about seeking feedback from stakeholders about project and project management matters (Briner, et al., 1996) and practitioner reflection and learning. Managing *sideways* is about managing the project manager’s peers to ensure collaboration, rather than competition.

Managing *outwards* involves considering the needs and impacts of a large group of stakeholders external to the project, and often to the performing organisation. This group will include some (or all) of the following: clients or customers of the performing organisation, users of the solution and their managers, the ‘public’, ratepayers, voters, lobby or action groups, government or regulatory bodies, shareholders, suppliers of personnel, material or services, families of these stakeholders. Each of these *outwards* stakeholder groups will have different requirements of the project. They are grouped in one ‘direction of influence’, but it is important to clarify their requirements of the project and their impacts on the project as separate groups.

Table 2.3 - Project manager influence

Directions of Influence	Stakeholders (areas of interest)	PM qualities needed
Forwards (resource planning, project schedules, plans and other documentation)	All stakeholder types, project team, senior management, users, vendors, project manager.	<i>Craft</i> of project management
Backwards (monitoring progress, lessons learned, estimation models)	All stakeholder types, project team, senior management, users, vendors, Project manager.	<i>Craft</i> of project management
Inwards	Project manager self	<i>Craft</i> of project management
Outwards	Client, end-user, external stakeholders	<i>Art</i> of project leadership
Downwards	Team members	<i>Art</i> of project leadership
Upwards	Project owner, senior executives, those who represent organisational commitment	<i>Wisdom</i> of project politics : a product of 3 rd Dimension project management skills
Sideways	Project manager's peers	<i>Wisdom</i> of project politics

2.6.2 Leadership

Leadership has been defined as an ability to work with others to develop a joint vision and to motivate them to commit to that vision through effective communication (Bass and Stogdill, 1990; Pinto, et al., 1998; Sweetman, 2001). Leaders must exhibit flexibility and adaptability (Burmeister, 2003), and have credibility (Bennis and Nanus, 1985).

Leadership is a transaction between leaders and followers, neither can exist without the other (Bennis and Nanus, 1985; Sweetman, 2001). It is about bridging the ‘authority gap’ (Sotiriou and Wittmer, 2001), through building trust relationships and motivating team members and other stakeholders (Pinto and Kharbanda, 1995). It is about bridging the ‘commitment gap’ (Bennis and Nanus, 1985) through instilling vision, meaning and trust in their followers.

Leadership is the antithesis of control, ownership, and power-oriented mind-sets: it is more an understanding of the need for shared accountability (Ready and Conger, 2003).

Research on project management has identified the complex role of the project leader in terms of the qualities just described, and by extension the skills and characteristics that a project leader must develop and exhibit for effective management of projects. These roles and the competencies for successfully fulfilling them are: coordinating all aspects of the project – people and other resources (Briner, et al., 1990); responsibility for the achievement of project goals (Turner, 1999); ensuring that all lines of communication, formal and informal are in place (Pinto, et al., 1998); managing organisational politics for project success (Pinto, 1998); maintenance of standards – ethical, legal, quality, performance (Turner, 1999); advocacy for

the project (Cleland, 1994); leading the team; creating and communicating shared vision (Christenson and Walker, 2004).

Projects as temporary organisations (Packendorff, 1995; Turner and Muller, 2003) are organisations in microcosm, on a human scale. The structures of both projects and their organisations are, by definition, similar. Projects, like organisations, have purpose, structure, groups and teams, authority networks and culture. The major difference is that projects are *temporary* organisations whose structures may or may not reflect that of the organisation that it operates within. The structure may be formed through the combined endeavours of multiple groups from different cultures and organisation structures (Theilen, 1999). The maturity of the organisation with respect to its project management systems, culture, style, organisational structure and project management office (PMO) will influence the project (PMI, 2004).

A project manager must understand the culture of the organisation that the project is operating in – the performing organisation - and must be able to nurture an appropriate culture within the project. The culture of the project and the culture of the organisation may not necessarily be the same (Andersen, 2003). The project culture reflects the leadership style of the project manager, the organisational culture of the performing organisation and the structure of the project.

Culture is: ‘how we do things around here’ and *cultural norms* are the ‘unwritten rules of behaviour’. The importance of understanding that ‘how we do things around here’ varies with each group and organisation; there is no ‘universal law’ of organisational management or universal management tool kit (Trompenaars and Hampden-Turner, 1997).

Culture is a set of assumptions about how the world is, and ought to be, shared by society through patterns of shared meaning manifested by stories, rituals, formal and informal practices, jargon and physical arrangements (Martin, 2002). An experienced project manager will understand the impact of culture on project relationships and build recognition of its effects on stakeholders perceptions and exceptions into the stakeholder engagement strategy. This recognition requires experience and ‘wisdom’ – the product of 3rd Dimension skill and knowledge. The concept of different levels of project manager knowledge and expertise will be discussed next. A gap in the literature exists: there appears to be no structure to describe the cumulative acquisition of the complex set of skills and knowledge that a project manager

requires for successful delivery of different types of projects, such as those previously defined in Section 2.2. A concept of three dimensions of project management is proposed.

2.6.3 Three Dimensions of Project Management Skills and Knowledge

Successful completion of project deliverables depends on project management of both *hard* skills, the control of time, cost, scope, and *soft* skills relating to leadership and relationship management throughout the project lifecycle. The hard skills are part of the *craft* of project management and are the 1st Dimension. The second set of skills is defined as 2nd Dimension skills and described as the *art* of project leadership. Soft skills are required to facilitate the application of hard skills because it is people who realise projects and not techniques or hardware. There is an additional set of skills that are essential for successful delivery of projects; these are 3rd Dimension skills requiring competencies beyond managing and leading.

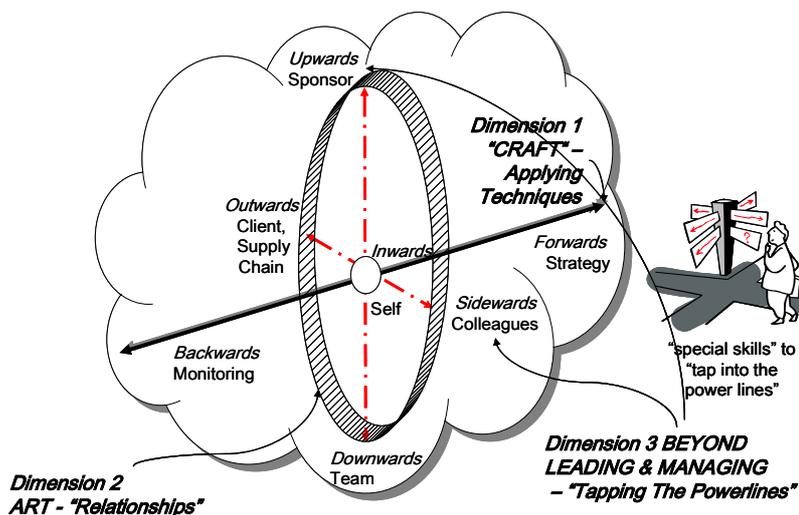


Figure 2.17 - The three dimensions of PM skills

The key to 3rd Dimension skills is the ability to read the power structures of the organisation and the willingness to operate in this environment. Project managers need to develop these skills and to acquire the appropriate experience and *wisdom* to manage within the political environments surrounding the project. Part of this skill set is understanding the organisational culture, the power bases operating within them, the expectations and perceptions of important stakeholders, and the development of strategies to ensure their support.

Project management is a mixture of the *art* of leadership and the *craft* of management. A successful project manager must be able to balance the requirements of *art* and *craft*, of *management* and *leadership* within the environment of the project and its stakeholders.

However, even the *what* (or hard criteria) of project management can be affected by stakeholders' hidden agendas; these hidden agendas must be recognised early and resolved. These aspects of managing a project that do not fall neatly into methodologies of project management; they are the 3rd Dimension. In organisations this is understood as *politics*.

It is dangerous to ignore the effect of politics on the outcomes of a project, and important to understand how the patterns of political activity operate in any particular organisation. Understanding the power environment within the organisation and the position of the actors within it for particular issues is also crucial (Lovell, 1993). It requires knowledge of the environment and all the 'players' in this process and what their drivers (needs and wants) are. Without formal power, the project manager must be able to influence people and outcomes; through optimising 'coalitions of support' (Boddy and Buchanan, 1999). Failure to understand and control the political process has been the downfall of many projects (Senge, 1990; Lovell, 1993).

2.6.4 Power, Influence and Politics

Power can be used both a constraint or an enabler; the exercise of power is a political process; and all relationships are simultaneously power relationships through dependency or position in the hierarchy (Stacey, 2001). Most project relationships are unequal: if a project manager is managing *upwards*, the project manager has least power in that relationship; if managing *downwards* the team member has least power. Power is the 'ability to get things done'. (Lovell, 1993; Verma, 1996; Pinto, 1998); the potential to influence (Hersey, Blanchard and Johnson, 1996). The nature of power relationships is dynamic and widespread.

An early definition of power describes five types of power according to their source: legitimate (formal authority), reward (authority to allocate resources and rewards), coercive (authority over punishment), expert (task-relevant skill and knowledge), referent (pleasing an individual who engenders affection, loyalty) (French and Raven, 1959). This typology of power is the basis of definitions currently in use, and incorporates the concept of authority.

The concept of *authority* as a feature of the position an individual holds in an organisation, is problematic for project management because of the project's temporary nature. In most organisational structures, the project manager and the project team will be 'on loan'. At best the project manager can hold power by virtue of a permanent position in the hierarchy. The

project manager of a high profile project might have authority by nature of the *status* that comes with such a project. (Kotter, 1985; Pinto, 1998)

Project managers usually have very little formal power over stakeholders outside the project organisation. To be effective they must develop ongoing relationships with project stakeholders, and in some cases potential project stakeholders, and focus on appropriate aspects of personal power to influence others. (Lovell, 1993; Verma, 1996; Pinto, 1998; Gadekan, 2002). Influence is the strategy to use when there is no real power differences between the two parties, and therefore no ability to ‘force’ action or behaviour (Pinto, 1998).

Power is a manifestation of the nature of hierarchies, and therefore by extension, a manifestation of permanent and temporary organisations, and describes relationships within those organisations. Politics and political activity are a natural part of organisation life (Pinto, 1998). Researchers have focussed on political activities as essentially in the domain of project manager responsibility, to ensure allocation of scarce resources and management of conflict (Pinto, 2000; Keys and Case, 1990; Sense, 2003). To be successful the project manager must develop the ability to study and understand people (Greene and Elfffers, 1998); political skills are the secret weapons of winning leaders (Peled, 2000).

Political behaviour is important for a project manager to acquire because:

- Project managers do not always have a stable base of power but must cultivate other methods of influence to secure the resources necessary for their project to succeed
- These projects often exist outside the traditional functional structure. Resources (financial, human, material, and informational) must be negotiated (Pinto, 2000).

Crawford and Da Ros (2002) conducted quantitative and qualitative research into the impacts of organisational politics on the outcomes of projects and the importance of the development of political skills for project personnel, particularly the project manager. Their findings were that project success is political (Crawford and Da Ros, 2002). The findings supported the following statements:

- There is strong correlation between organisational politics and acquisition of project resources;
- The ability of the project manager to make effective use of organisation politics contributed significantly to project success.

The political tools that a project manager should be capable and willing to use to ensure project success include: gaining and maintaining support such as sponsorship of a powerful champion; building alliances; controlling a critical resource, or the decision process, or the committee process through the agenda, membership, minutes; use of positional authority such as rewards or coercion; training, information or favours. These tools are essential components for project success and communication is the key to successful distribution of information and wielding of influence. Communication will be discussed in Section 2.7.

Building effective project relationships requires building trusting relationships with project stakeholders, or potential stakeholders. Trust requires constant reinforcement of ethical behaviour and trustworthiness. Balancing the needs and expectations of a diverse group of stakeholders and managing any conflicts could raise issues of ethics and trust for the project manager.

2.6.5 Ethics, Trust and Commitment

Ethics defines how people should treat each other, in organisational and societal contexts (Wood, 1994). It is the study of rules concerning right and wrong behaviour (Wood, 1994) based on an accepted, normative set of guidelines (French and Granrose, 1995; Schnebel and Bienert, 2004); essential for relationships in a complex society (Pinto, et al., 1998). The guidance of ethics is particularly effective in resolution of conflicts between individuals, between individuals and the organisation and between the stakeholders and the organisation (Pinto, et al., 1998; Carroll and Buchholtz, 2000). An individual's ethical framework will include *values*.

Values as a concept can be defined as being what is considered worthwhile or desirable by society or an individual within that society (French and Granrose, 1995). There are three basic mechanisms for defining a society's values – norms, laws and ethics. *Norms* define what is normal or usual behaviour in a community or social group; the ideal to which that group should conform. A society's norms are its unwritten rules, enforced through sanctions and supported by that society's culture and traditions. *Laws* are norms that have been codified and enforced through punishment in the form of fines, imprisonment, and in some cultures, even death (Pinto, et al., 1998). Like norms, *morality* refers to guidelines or rules for cultural and social behaviours towards others. Unlike laws, morality generally does not include punishment for transgressions (French and Granrose, 1995).

Trust involves a relationship of two parties, either individuals or groups, although trusting is an individual behaviour or decision. It is a key element in any business dealing with communication, whether informal and formal, word of mouth, the ‘grapevine’, or regular project reports being the essential element in maintaining the relationship.

Trust is important because it enables cooperative behaviour (Gambetta, 1988), reduces conflict and therefore risk, facilitates rapid formation of teams (Meyerson, Weick and Kramer, 1996), and ensures an effective team response in times of crisis (Rousseau, Sitkin, Burt and Camerer, 1998). Generally, trust relationships develop gradually, evolving from past experiences and anticipating future experiences guided by the other’s reputation and experienced similarity (Blomqvist and Stahle, 2004).

Successful project relationships, ones that incorporate trust, are vital for successful delivery of projects and meeting stakeholder expectations (Hartmann, 2002). Building and maintaining trust takes time and effort (Pinto, 1998), but is essential for many aspects of project management such as effective communication, contract relationships, team work and inter team relationships, progress reporting and schedules and estimates, and perception of the authority of the project manager (Hartmann, 2002).

Because of the temporary nature of projects, *commitment* is an essential ingredient for success (Burgess and Turner, 2000). It is just as important as, and strongly related to, ethics and trust. Commitment is about involvement, loyalty, and a belief in the values of the organisation (Etzioni, 1961). Commitment is the physical and mental outcome of the application of trust, and as such implies a sense of obligation and inner responsibility to do the ‘right thing’ (Meyer and Allen, 1997).

The project manager must exhibit exceptional leadership qualities to establish an environment that engenders trust, and therefore commitment, between all members of the team and also between the project team and its stakeholders (PMI, 2004). The project manager must also know who is important for success of the project and what each individual (or group) needs or expects. Another key to project success is appropriate use of information and networks (relationships) and personal power sources. Building and maintaining trusting relationships are long-term activities and often extend beyond the life of the project, but are essential for managing project risk and neutralising uncertainty.

2.6.6 Risk and Uncertainty

Risk and uncertainty must be addressed effectively for successful projects and successful project relationships. Risk management is both a skill and behaviour; this dissertation will address risk management behaviours as an important aspect of managing stakeholders and developing appropriate stakeholder engagement strategies.

A *risk* is an undesirable event (DeMarco and Lister, 2003), *opportunity* is the positive outcome of such an event (PMI, 2004). Business risk is about opportunity for gain or loss (Frame, 2003) and risk management is about minimising potential risks while maximising potential opportunities (Schwalbe, 2002). Selecting the right project is managing business risk; project risk is managing uncertainty to meet stakeholders' expectations (Verhuz, 1999).

Risk in projects can come from the state of the project or organisational environment, poor project management practices, inadequate support systems, concurrent multiple projects and poor integration, or external dependencies out of the control of the project manager (PMI, 2004). Unmanaged risk is a major cause of project failure which can impact any or all of the project's stakeholders.

Mathematical risk calculations are the foundation of many theories of risk management, the assumption being that with the results of these calculations, individuals will have enough data to make rational decisions about identified risks. However an individual's desire for something and personal view of the satisfaction to be gained from a particular outcome will affect risk-taking. This is the basis of *utility theory* (Bernstein, 1998). Utility conveys the sense of usefulness, desirability, or satisfaction that may cause rational decision-makers to take action that may increase or decrease the 'amount at stake' of that risk event. This is risk tolerance.

Risk tolerance, or utility, is the amount of satisfaction received from the outcomes of a particular action (Schwalbe, 2002). Risk tolerance should be considered from three different perspectives: the organisation, the project manager, and the stakeholder. The organisation's risk tolerance is tied to financial stability and project diversification. A project manager's tolerance is affected by job security and corporate culture. The stakeholder's risk tolerance is influenced by project objective (Kwak and LaPlace, 2005). Understanding the different risk tolerance positions is essential for developing appropriate stakeholder engagement strategies.

Communication is essential in any aspect of managing risk or uncertainty, particularly once the risk has occurred and it becomes an issue or a crisis. Management of the engagement process of prioritised stakeholders is an essential part of a risk management plan for the project. The final section of this chapter addresses communication.

2.7 Communication



Figure 2.18 - Structure of Section 2.7

Communication is both a process and an activity. It is a process of information exchange using a common system of symbols, signs, or behaviours (Cleland, 1994; PMI, 2004). It is an activity that consists of defining the communication needs and expectations for the project; how, when, in what format and by whom and to whom, information will be exchanged; it is based on the requirements of the stakeholders. Successful communication is not only developing the plan, but also implementing the plan for continuous engagement with stakeholders (PMI, 2004).

Communication can be either interpersonal or organisational and involves both the transference and the understanding of shared meaning (Kakabadse, Bank and Vinnicombe, 2004). A leader must communicate to maintain motivation of followers and to reinforce the organisation's vision and values (Davidson, 2002). Communicating effectively is sending the message in a way that the receiver can understand and accept that message (Hersey, et al., 2001).

A vital component of building and maintaining relationships, communication is essential for maintaining the support and commitment of all stakeholders (Briner, et al.1990). Effective, regular, planned and adhoc communication with all members of the project community are necessary for project success (Briner, et al., 1990; Cleland,1994). Project meetings, project plan and reports, informal discussions, formal presentations are all communication vehicles. Maintenance of relationships in the form of active communication systems will also provide

the necessary ‘early warning systems’ (Briner, et al., 1996). A project manager must be able to recognise the danger signals, the warning of possible trouble with senior stakeholders. These danger signals take the form of actions such as interfering in the business of the project without consultation, not providing support when needed, poor communication links caused by too many reporting levels between the project manager and the senior stakeholder, unfounded promises or commitments (Boddy and Buchanan, 1999).

These potentially risky situations need to be closely managed through targeted communication strategies, as defined in the project Stakeholder Management Plan. A Stakeholder Management Plan should be regarded as being an important aspect of the Risk Management Plan, while at the same time recognising that stakeholder management is not risk management. A thorough knowledge of each important stakeholder’s risk tolerance, levels of support and expectations of the project, will drive appropriate communication strategies managed through the reporting and monitoring aspects of the Stakeholder Engagement Strategy in the same way that risk must be managed. Management of stakeholders’ expectations through the development of targeted communication is a part of the *Stakeholder Circle*TM methodology and will be discussed in detail in Chapter 3.

2.8 Summary of the Chapter

This chapter reviewed previous research on project success and failure and addressed the first research theme: the identification of causes of failure and development of theories for enhancement of project success. It commenced with an examination of definitions of project and project management, and from the literature extended the basic definition through exploring the concept of a project as a temporary organisation, whose outcome was novelty and change. A discussion of three different project typologies examined their effectiveness in selection of styles of leadership, team management, project organisation structures and processes with the objective of increasing chances of project success through an understanding of the mechanisms of the different types of projects.

A gap in the literature on causes of project failure was noted: no coherent perspective on project success or failure was identified. An integrated approach was described, identifying causes of failure that could be categorised into three elements: delivery of value, management of risk and building relationships.

Two of the major causes of project failure identified in the literature involved key project stakeholders: the withdrawal of support or advocacy for the project; and the perception that the project had failed to deliver expected outcomes. Therefore in terms of the theory of three elements of project success, delivering value requires managing project relationships and managing risks by ensuring that the expectations of all stakeholders are met with regard to *what* is delivered as well as *when* and *how*.

An examination of stakeholder theory led to the conclusion that the support of key stakeholders is essential to project success, but there was no clear means of identifying the *right* stakeholders for the *right* time of the project lifecycle. The stakeholder community was a dynamic entity, changing membership and power structures as the project moved through its lifecycles and at times when there were changes to the organisation's structure or the fortunes of members of the stakeholder community. This was another gap in the literature that will be addressed in the research.

Methods of identifying and managing stakeholders were examined. Methods of categorising stakeholders to enable appropriate management strategies (Savage, et al., 1991; Mitchell, et al., 1997) and social network theory (Rowley, 1997) were explored contributing to the idea of power and influence through the connections within the network. Each of the methodologies was useful but had limitations. The development of the prototype *Stakeholder Circle*TM methodology reflects the past experience of the researcher, and is enhanced by features identified from the literature review.

Other aspects explored in this chapter were the qualities that the project manager needed to have to identify, prioritise and manage project stakeholders. These qualities included the need to manage within of the organisational environment, to develop trusting relationships and behave ethically and to proactively manage risk. These qualities were described in terms of three dimensions: the 1st being the craft or techniques of project management, the 2nd dimension is the *art* of leadership, while the 3rd was related to willingness and capability to operate in that power and political structure. There was little research reported in the literature on how project managers acquire necessary skills and knowledge: another gap leading to research question 4 addressed in phase three of the research through descriptive case study.

The next chapter will describe the features and origins of the *Stakeholder Circle*TM methodology and visualisation tool.

Chapter 3

The Stakeholder Circle™ Methodology

The *Stakeholder Circle*™ is based on the premise that a project can only exist with the informed consent of its stakeholder community (Weaver and Bourne 2002), and that managing the relationships between the community and the project will increase the chances of project success¹. This community consists of individuals and groups, each with a different potential to influence the project's outcome positively or negatively. The *Stakeholder Circle*™ methodology has been devised to offer a mechanism for assessing the relative influence of each of a project's key stakeholders. The *Stakeholder Circle*™ visualisation tool highlights the project's key stakeholders as a reference for the team, the stakeholders, and others to understand who has been evaluated by the project team as essential for project success. The benefit of this methodology and tool is derived in part from the analysis process itself as well as from the ease with which a key stakeholder's influence on the project can be assessed once the project's unique *Stakeholder Circle*™ is complete. The assessment should be updated regularly as the stakeholder community changes to reflect the dynamic nature of project relationships.

This chapter addresses the second research theme: refining the *Stakeholder Circle*™ methodology and visualisation tool. Section 3.1 defines the *Stakeholder Circle*™ methodology and visualisation tool, and Section 3.2 describes its origins. Section 3.3 describes how the methodology is used, and Section 3.4 describes the features of the visualisation tool; Section 3.5 describes the value of the methodology and tool to the project manager and project team, to the organisation and to the PM profession itself.

3.1 Stakeholder Circle™ defined

The *Stakeholder Circle*™ methodology provides a means for the project team to identify and prioritise a project's key stakeholders, and to develop an appropriate engagement strategy and communications plan to ensure that the needs and expectations of these key stakeholders are understood and managed. The *Stakeholder Circle*™ visualisation tool charts a project's key stakeholders according to their ability to influence the project's success or failure. Categorisation and charting of key stakeholders holds the key to targeting the *right*

¹ See Chapter 2 for more detail

stakeholders at the *right* time in the life of the project and providing them with the *right* level of engagement, information and communication. It is a flexible device that can be adjusted to cater for changes in stakeholder community membership and stakeholder influence throughout the life of the project. Figure 3.1 shows an example of the prototype *Stakeholder Circle™*.

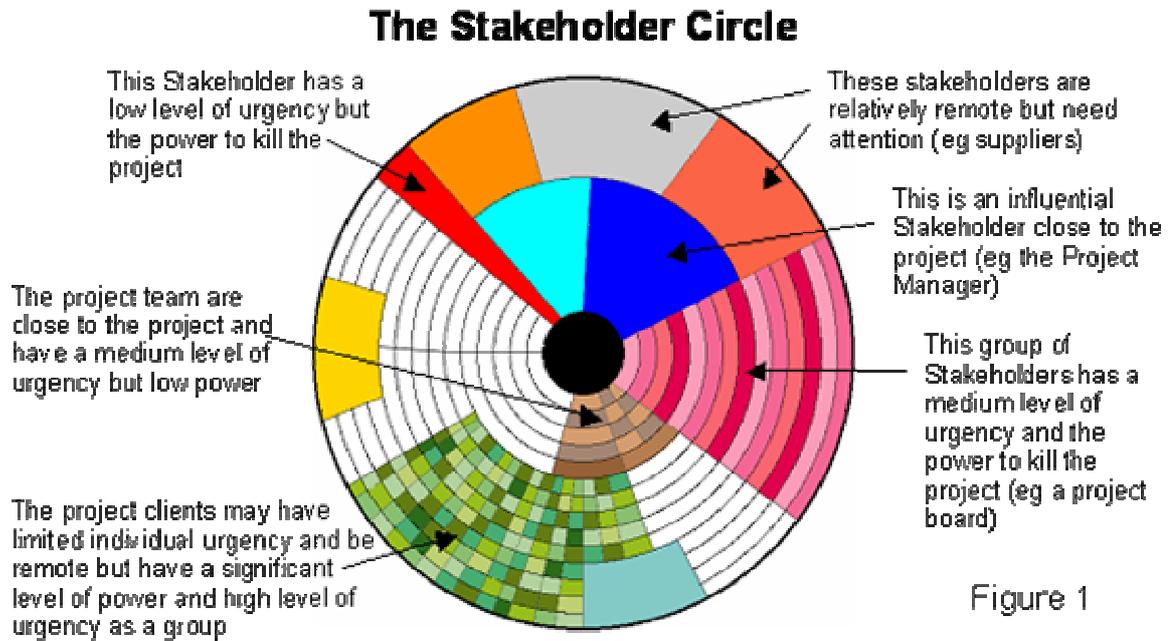


Figure 3.1 - The prototype *Stakeholder Circle™*

The methodology is supported by a complex set of Excel spreadsheets, capable of processing both words and numerical data. The first sheet lists the stakeholders, their roles, the reciprocal relationships between the stakeholders and the project - ‘mutuality’, and the ‘direction of influence’ of the stakeholders². The second sheet supported the assessment of each stakeholder on their *power*, *proximity* and *urgency*, bringing forward the data necessary for the assessment process. This second spreadsheet allows the team to enter the appropriate rating (number) and then performs calculations to produce an ‘index’ for each stakeholder; the inbuilt ‘sort’ function then produces the list of prioritised stakeholders as assessed by the project team.³ The third sheet exhibits the necessary data for developing the engagement strategy⁴. The software supports the complex calculations required for the prioritisation

² Appendix 3.1

³ Appendix 3.2

⁴ Appendix 3.3

exercise and the development of the project's unique *Stakeholder Circle*™ and is shown in Figure 5.7.

3.1 Origins

The basic concept of the *Stakeholder Circle*™ methodology was developed as a result of my experiences in project management of IT and business change projects in corporate organisations. The journey from the early ideas to a more robust and effective methodology will be described in this section. This description will be in terms of my own input, the input of others, and the refinement of the methodology and tool through theories espoused in the literature.

3.1.1 Personal Input

The initial idea for a dynamic process of identifying stakeholders and tailoring engagement strategies to the needs of key stakeholders arose from my experience managing projects in complex corporate organisations. In these organisations projects were frequently cancelled or re-scoped, and even those that delivered their functionality were often viewed as failures. A pattern started to emerge of issues around the relationships within the project environment and with the organisation itself. As senior managers sought to control expenditure or increase revenue through IT systems and products with IT components, there was an increased pressure on the project team to provide time and cost estimates that matched management expectations, but not the reality of the technology or interdependencies with other projects, processes, or individuals. Apart from difficulties in understanding and meeting management expectations, other issues arose when supportive stakeholders lost interest, or left the company, or when stakeholders who had not been considered as important to, or impacted by, the project made their needs (and/or objections) understood.

In response, I started to develop and use a more structured method for managing relationships with project stakeholders. I was able to do this because of the position I held as program manager of a group of IT specialist PMs. The initial methodology was a basic list of those stakeholders that the project team understood to be important including a community wider than the senior management team. Other stakeholders considered to be part of the project's stakeholder community were the peers of the project team members; a wider view of project team encompassed part-time technical or business specialists. Senior managers who would not impact, or be impacted by, the project in any way were excluded from the priority list of

stakeholders. There were a number of refinements to this methodology, arising out of the experience of the project managers in my team. These refinements were: monitoring of the list of the stakeholder community to ensure currency as stakeholders moved into the community or left it; listing their expectations - *what they require from the project*; identifying a prime contact for each stakeholder from the project team - there were often project team members who had influence on, or had other contacts with certain stakeholders, and who would be more effective than the project manager; and reporting regularly on stakeholders as part of the project meeting and any specific risk management meetings.

3.1.2 Peer and User Input

An important input to the methodology was the work of Weaver and Bourne (2002), focussed on developing a better definition of ‘project’ in terms of the project’s stakeholder community and its agreement about the existence and value of a project. As part of a conference paper to raise awareness and to stimulate discussion on the importance of the stakeholder community to project success, the prototype *Stakeholder Circle™* tool was included to illustrate how the stakeholder community of a project could be given a higher profile. Since 2002 the concepts of the *Stakeholder Circle™* methodology and tool have been communicated at conferences, presentations to groups of project managers at the local Project Management Institute (PMI) Chapter, at a major Australian bank, and in learned journals⁵. At the presentations, the questions asked and input from those attending the presentations, have in many cases provided ways to make the methodology more effective and supported the concept of the visualisation tool. The responses to presentations at conferences and the enthusiasm for the concept of a visualisation tool, led to its inclusion in the work in the early stages of the development of the methodology. More recently, responses to the methodology and tool after its refinement during the research detailed in this paper have also opened the door to alliances and partnerships to commercialise the *Stakeholder Circle™*.

The response from the participants in the iterative methodology refinement process⁶, which was intended and designed to refine the methodology and tool for use within the project environment, has been useful for the refinement process and also extremely encouraging.

⁵ Appendix 1.1.

⁶ See Chapter 5 for evaluations on the methodology and tool from the research participants.

3.1.3 Theoretical Input

Individuals, companies, universities and government bodies have proposed other stakeholder identification and management methodologies, or further refined existing processes (Centre for Innovation in Management; Elliot 2004; Thomsett 2002; Office of Government Commerce (OGC) UK 2004; Tasmanian Government 2004). Still others have taken stakeholder analysis to the extent of defining categories of stakeholders: Savage, Nix et al. (1991) have identified four generic types – supportive, mixed blessing, no-supportive, and marginal, based on their claim on the firm and the ability to influence the firm; Mitchell, Agle et al. (1997) have developed an eight part stakeholder typology based on assessments of the strengths of three attributes, power, legitimacy and urgency. Others have provided insight into the importance of stakeholders for enhancing organisational wealth and economic benefits, and how to gauge what the stakeholders require from the project. Fletcher, Guthrie et al. (2003) define a process for mapping stakeholder expectations based on value hierarchies and Key Performance Areas (KPA), while Frooman (1999) provides an analysis of ways that stakeholders can seek to influence organisational strategy, advocating that organisations (and projects) plan their stakeholder management strategies, rather than relying on response strategies. Turner (2002) has provided a more holistic process of identification, assessment of awareness, support, and influence, leading to strategies for communication and assessing stakeholder satisfaction, culminating in development of a stakeholder knowledge base providing knowledge of who is aware or ignorant and whether their attitude is supportive or opposing. Briner, Hastings et al. (1996) provided a comprehensive approach to identification, assessment and engagement, and Rowley (1997) provides an understanding of networks and power. These authors have influenced the methodology outlined in this dissertation⁷.

3.2 Using the Methodology

The methodology consists of three exercises conducted over two workshops, illustrated in Figure 3.2. The first exercise is the identification of project stakeholders, supported by artefacts such as the project organisation chart, the chart of the project environment, and the participants' local knowledge; the output is a list all the stakeholders, both groups and individuals, assessed by the project team as being impacted by, or having an impact on, the outcomes of the project. The second exercise is the prioritisation of these stakeholders. The raw stakeholder list is assessed to define the relative importance of each stakeholder or

⁷ See Sections 2.4 and 2.5

stakeholder group. The results are calculated in the spreadsheet and a prioritised list developed to be reviewed by the participants. The resulting top 15⁸ are built into the unique Stakeholder Circle™ for that project environment. Stakeholder identification and prioritisation should be completed in one workshop. The third exercise and second workshop, is the process of development of an engagement strategy and communications plan for ensuring that the needs and expectations of these key stakeholders are understood and met. The process must be repeated at any change in the project or the performing organisation which will result in a change in the stakeholder community.

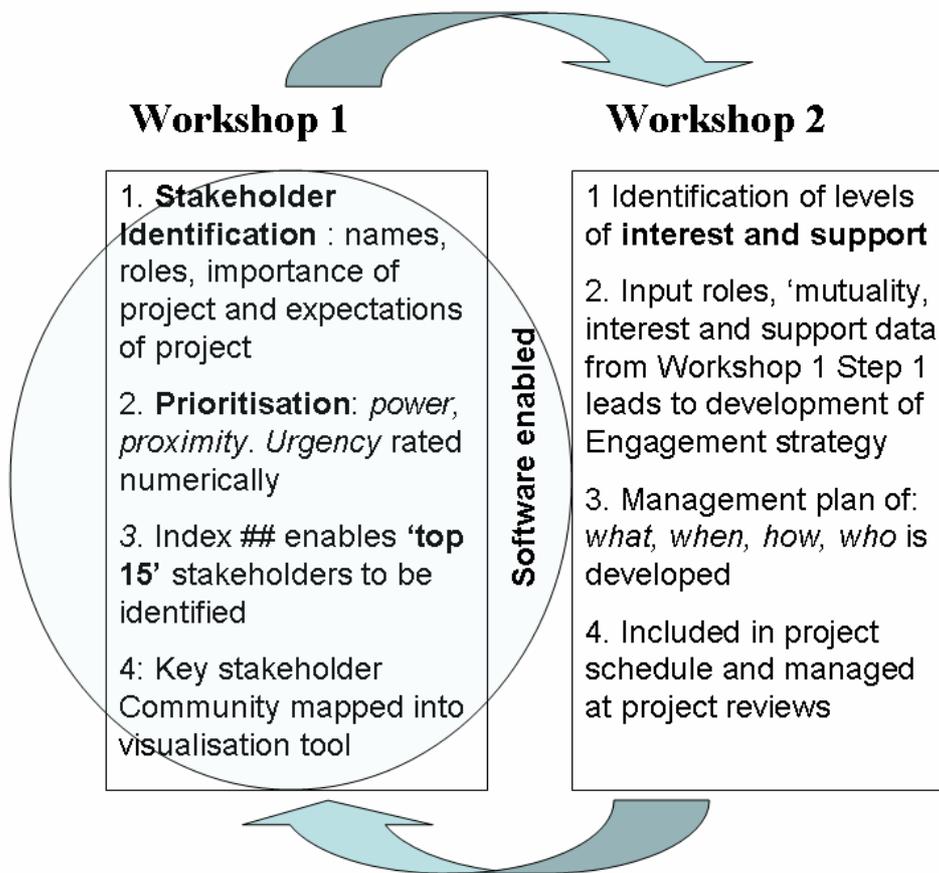


Figure 3.2 - The steps of the methodology

3.2.1 Identification of Stakeholders

The process of identification of project stakeholders uses the categories *upwards, downwards, inwards, outwards, and sideways* as described and defined in Section 2.6 to begin a categorisation process. This is followed by the identification of *mutuality*(French and Granrose 1995); what each individual or group *requires from the project* as well as a

⁸ Selection of 15 for the priority list is based on advice from the graphic designer used to improve presentation of the tool. This is discussed in more detail in 3.3.1.

definition of the *significance to the project* of these individuals or groups. Asking these questions establishes the nature of the relationship between the project and the stakeholders and ensures that the needs of both groups are understood. This exercise is conducted through workshops with individuals from the organisation who are familiar with the project deliverables and constraints, and with the organisation structure and the organisational politics. The information collected in this workshop is input to a multi-page spreadsheet. Appendix 3.1 shows an example of the worksheet used for the identification and Appendix 3.2 show the results of the prioritisation stages of the methodology.

3.2.2 Prioritisation of Stakeholders

The second exercise of the methodology is the prioritisation of these stakeholders. Three factors must be considered to assess the relative importance of the identified stakeholders. They are: *power, proximity and urgency*.

The simple definition of *power* used in the prioritisation workshops is the relative power to ‘kill the project’ and is rated by the workshop participants on a scale of 1 – 4, where 4 is “High capacity to formally instruct change (can have the project stopped)” and 1 is “Relatively low levels of power (cannot generally cause much change)”⁹. *Proximity* as used in this methodology is self-explanatory. The team must rate the stakeholders on a scale of 1 – 4; where 4 is “Directly working in the project (team members working on the project most of the time)” and 1 is “Relatively remote from the project (does not have direct involvement with the project processes)”.

Urgency is based on the concept described in Mitchell, Agle et al. (1997:854), whose theory defined two conditions to be met from an urgency perspective: “(1) when a relationship or claim is of a time-sensitive nature and (2) what that relationship or claim is important or critical to the stakeholder”. According to Mitchell, Agle et al. (1997), *urgency* has two attributes: time sensitivity and criticality. This concept of urgency is similar to the *imperative* approach described by Mitroff (1983:33), as feeling strongly enough about an issue to act. In response to requirements from research participants to further refine the definition of *urgency*, the notion of the action required by the project team was included. The concept of the team’s recognition of action required was seen by the team as a more effective measurement for understanding the concept of stakeholder urgency. Based on these conditions the

⁹ The rating schemes for the assessment is shown in Appendix 3.4

methodology requires workshop participants to rate stakeholders on a scale of 1 – 5, where 5 is “*Immediate action is warranted, irrespective of other work commitments*” and 1 is “*There is little need for action outside of routine communications*”.

The spreadsheet accepts the ratings defined by the participants for *power*, *proximity*, and *urgency* and calculates an index – a number that indicates each stakeholder’s relative importance as defined by the workshop participants. The spreadsheet will then sort the list numerically to provide the list of key stakeholders in priority order. The sorted list is the starting point for developing the engagement strategy; it is illustrated in Appendix 3.3.

There is scope for an extra set of overall weightings to apply to the individual ratings applied to each stakeholder. It is possible for the workshop participants to add a level of local knowledge about the project organisation, and its emphasis on power or urgency. This is achieved through changing the overall value of power, proximity, and urgency in any combination to independent values of 1 – 9, depending on which aspect of the prioritisation the organisation deems more important for that project.¹⁰

3.2.3 Stakeholder Engagement Strategy

The second workshop defines the stakeholder engagement strategy and covers all selected stakeholders, with special attention placed on the prioritised stakeholders. The information collected from the first workshop, in particular the stakeholder’s project role, and the mutual needs of the stakeholders – *what the stakeholders require from the project (stakeholder expectations)* and *what the project needs from the stakeholders (stakeholder value)* is used as input to the second workshop. By considering this information along with information about level of interest and level of support, a strategy is developed to communicate with each stakeholder or stakeholder group and thus manage expectations and perceptions. The first set of analysis is around identifying the level of interest of the stakeholder(s), at five levels from *committed*, through *ambivalent* to *antagonistic*. The second set is analysis of the stakeholder level of support, at five levels from *active support*, through *non-committal* to *active opposition*. The rationale is that if an important stakeholder is both antagonistic and actively opposed, a different approach is required than the approach for a stakeholder who is highly interested and highly supportive.

¹⁰ Appendix 3.4 shows the full set of definitions and key factors for the methodology.

The next step relates to communication with each stakeholder. It defines how the message (any message) will be delivered – written, oral, formal and/or informal and who should deliver it and when. Communication is not solely the responsibility of project manager, other members of the project team may be more appropriate. The project manager may have to assign communication responsibilities to another team member who has more influence with the target of the message. The frequency and regularity of delivery of these messages will vary with the interests and level of support of the stakeholder as well as the stage of the project. Finally, it is important to define the content of the message itself. The message may be regular project updates or notification of issues and their resolutions. But care must also be taken to ensure that the content and tenor of the message is in accord with what has been defined as what the stakeholder *requires from the project*. This information will allow the project manager and the project team to influence people and outcomes; through building and nurturing what power they have in optimising ‘coalitions of support’ (Boddy and Buchanan 1999), even if they lack formal power.

Collaboration between influential stakeholders and the project team depends on personal behaviour changes by project team members to not only work collaboratively but also to share knowledge. This requires a high level of team effort and co-ordination (Mitchell, Agle et al. 1997). Once the communications plan has been developed and agreed by stakeholders and the project team, it should be embedded in the project schedule. Reports on management of these stakeholders should then be included in regular project meetings.

3.2.4 Maintaining Engagement

The strategy of the *who, what, when and how* of delivering the tailored messages defined for the important stakeholders must be converted in to action. The communication plan should be part of the project schedule and thus reported on through team meetings and regular reports. In addition, it is essential to regard stakeholder management as an important part of a risk management plan. While stakeholder management or even communication management is not part of risk management, it contributes to the integrated whole that is successful project management.

3.3 Features of the Visualisation Tool

The *Stakeholder Circle*™ visualisation tool accompanies the methodology. This section provides an explanation of the visualisation tool, its use for maintenance of information about

the project's stakeholder community and for maintaining engagement with these key stakeholders.

3.3.1 The Stakeholder Circle™ Visualisation Tool

The prioritised list of stakeholders resulting from the first workshop provides the project with the list of all the project's stakeholders, sorted by their current level of importance (*power/proximity/urgency*) and supplies the information necessary to build the project's unique *Stakeholder Circle*™. The selection of a priority list of 15 key stakeholders for incorporation in the *Circle* is based three considerations. The first consideration is that 15 is both meaningful and manageable from the perspective of developing and implementing strategies for managing key stakeholders; and should be appropriate for most projects. The second consideration was advice from the graphic designer who provided assistance in improving the appearance of the tool through development of a template of colours and designs. The progress from the prototype shown in Figure 3.1 to Version 6 shown in Figure 3.3 is described in Chapter 5 and shown in Appendices 5.1 and 5.2. The third consideration is the development of a uniform approach needed for future plans for commercialisation: the automated conversion of data from the spreadsheets (or database) into the visualisation tool.

The full list of stakeholders identified in the first workshop are available for developing the engagement strategy in the second workshop. The supporting spreadsheet is organised in order of priority. The 15 key stakeholders must have an appropriate engagement strategy defined, but the other stakeholders should not be ignored. Their communications needs must be addressed, otherwise these individuals and groups could become the 'rogue' stakeholders who can withdraw all support and cause the project to fail. Samples of the outcomes of the two workshops are shown in Appendix 3.2 for the stakeholder prioritisation workshop and Appendix 3.3 for the engagement workshop. The assessment criteria for rating *power*, *proximity* and *urgency* are listed in Appendix 3.4. The spreadsheet calculates these ratings with inbuilt algorithms to provide an 'index'. The index is sorted numerically, to show the prioritised list resulting from these assessments and is then fed into an additional spreadsheet for conversion into that project's unique *Stakeholder Circle*™. The *Stakeholder Circles*™ developed for each of the participant projects are shown in Chapters 6, 7 and 8.

The *Stakeholder Circle*™ plots the power and proximity assessment of a stakeholder along the radial axis and the team's urgency/importance assessment along the arc. The resulting diagram shows the relative influence of each stakeholder and offers a visual tool to facilitate

decisions being made on the amount of effort the project team will allocate to managing their relationship with any given stakeholder. Figure 3.1 shows the prototype *Stakeholder Circle*™ and Figure 3.3 shows an example of a project’s unique *Stakeholder Circle*™ resulting from the identification and prioritisation exercise. The examples of each project’s unique *Stakeholder Circle*™ will be shown in colour in the case studies described in Chapters 6, 7 and 8.

3.3.2 Interpretation

The overall size (or area) of a stakeholder’s segment gives an indication of the overall influence of that person (or group of people) on the project. The outcome of the visualisation process is a diagram designed to facilitate decisions on where the project team need to concentrate their stakeholder management effort. Defining appropriate responses requires an understanding of such elements as which stakeholders need to be involved in the project definition and planning processes, who needs more information to mitigate opposition, who are the key and relevant stakeholders.

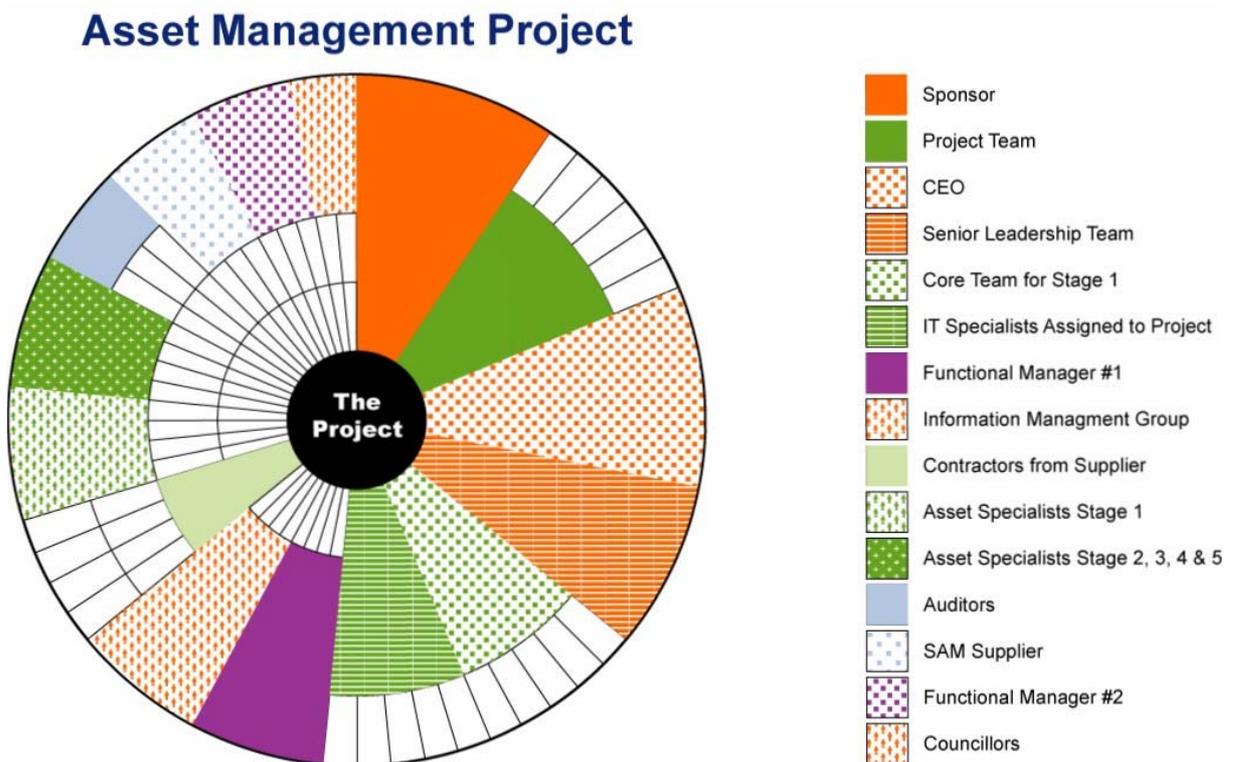


Figure 3.3 - Stakeholder Circle™ Version 6

The iterations of the design and presentation of the *Stakeholder Circle*™ visualisation tool are addressed in Chapter 5. Colour coding, as shown in Chapters 6, 7 and 8, is key to

interpretation; senior managers – *upwards* - are coded orange, stakeholders external to the project are shown as blue – *outwards*, and the project team - *downwards*, are coded as green; the project manager’s peers are coded purple. Appendices 5.1 and 5.2 shows how the presentation of the tool changed through the refinement process.

3.3.3 Maintenance of the Stakeholder Community

The process of identifying, prioritising, and engaging project stakeholders cannot be a once-only event. Stakeholders change as they move within the organisation or leave it; their relative importance to the project and their power and influence changes. As the project moves through the project lifecycle or implementation stages, different stakeholders may have more or less impact the project. The process may have to be repeated in whole or in part many times. To be most effective, the assessment should be updated regularly as the project progresses through the phases of the lifecycle or as the stakeholder community changes to reflect the dynamic nature of project relationships.

The ability to quickly review and edit within the tool makes this a relatively swift process; building on existing knowledge and experience to enhance the stakeholder engagement process. This ‘ease of use’ should encourage regular reviews and updating of the stakeholder community. This aspect was not tested in the research.

3.4 Value of the methodology

A major benefit of this methodology and tool is derived from the analysis process itself as participants of the workshops discuss potential project stakeholders and their needs and potential contributions. Such discussions and the negotiation process enables all project team members to share their knowledge of the individuals and groups being assessed, as well as knowledge of the organisation and its politics. Additional benefits come from the ease with which key stakeholder’s influence on the project can be judged once the diagram is complete. The project’s unique *Stakeholder Circle*™ shows the key stakeholders, with their names, sources of influence, and their relative importance to the project. The following section discusses the value of the methodology to the project manager, the organisation, individual stakeholders and the project management profession.

3.4.1 Value to the Project Manager

A methodology that provides a simple, relatively time-efficient process for the identification of key stakeholders is a useful adjunct to the project planning processes. The methodology also supports a logical process to allow the project manager to decide which of the project's stakeholders to focus effort on, since it would be impossible to attend to the needs and expectations of all stakeholders. The workshop process and the steps of the methodology benefit the project team through a guided analysis of the expectations of the project stakeholders, and the best means to ensure their support of the project. As identified in Chapter 2, managing the perceptions and understanding the exceptions of key stakeholders build robust project relationships and improve the chances of project success. The computations from the spreadsheets used to develop this picture of project relationships, are the basis for building the project's unique *Stakeholder Circle™*, and will contribute to the perception of these key stakeholders that the project is being well-managed.

The project team benefits from use of the *Stakeholder Circle™* methodology and tool both as a team and individually. Working together to develop understanding of their stakeholder community, sharing knowledge about each of the stakeholders is a powerful team building activity. The project benefits from a multi-perspective view of the stakeholder community; knowledge of their expectations is likely to be richer and more accurate because it is shared. Individually the team members will benefit from exposure to new ways of understanding relationship management, and will learn about the characteristics, leadership and management styles, and expectations of the project's key stakeholders. These experiences will contribute to the growth of the project team members along the path to the 3rd *Dimension* skill - 'wisdom'.

3.4.2 Value to the Organisation

In Section 2.3 the causes and consequences of project failure were discussed. This research is based on the view that one of the major causes of project failure is in the domain of stakeholder management, with key stakeholders perceiving projects have failed, leading to a reluctance to support that project or even withdrawing funding. Projects that are terminated cause significant loss to the organisation and other organisations associated with the project. Additional financial loss occurs through revenue foregone when a new product is either delayed or abandoned.

3.4.3 Value to Stakeholders

As discussed in other parts of this dissertation, the concept of ‘mutuality’ is essential for managing project relationships. Mutuality is expressed in understanding the dual aspects of the stakeholder relationship. Stakeholders benefit from having their expectations understood and managed through communication of appropriate messages on one hand, and on the other ensuring that stakeholders understand what support the project needs from them. The methodology provides value to stakeholders by showing them that their expectations are being understood and that the project team is working to meet those expectations.

The *Stakeholder Circle*™ provides the key to developing and maintaining robust relationships. Each stakeholder can be assured that their needs and expectations are known and understood and that mechanisms are in place to assist negotiation amongst the known set of mutual relationships. Each stakeholder should see the mechanisms in place that can enable realisation of the accountabilities tied to successful delivery of the project.

3.4.4 Value to the PM Profession

The new approaches to project relationship management implicit in the *Stakeholder Circle*™ methodology and visualisation tool should benefit the profession through reducing the risk of project failure and the consequent waste of scarce resources, monetary and human. Emphasis on building relationships and understanding how the project can benefit each key stakeholder establishes regular dialogue between the stakeholder and the project to eliminate misunderstanding and monitor stakeholder expectations. An improvement in the instances of project success should improve the reputation of the project management profession.

By providing project managers with the means to reduce perceptions of failure of projects, the PM profession should be enhanced and the reputation of individuals within the profession improved. There is still a high incidence of conscription of the *accidental project manager*, individuals who often have technical expertise related to the project’s functionality, who find themselves assigned to the role of project manager without adequate training, financial compensation, or organisational support or even without their agreement (Pinto and Kharbanda 1995). Accidental project managers often do not have good experiences while assigned to the project management role and so are reluctant to take on a second assignment, and be exposed to the spectre of project failure again. These individuals seek to leave the profession as soon as possible, not only because the work is difficult and poorly understood,

but also because of the poor reputation of PMs in the world today. The *Stakeholder Circle*™ methodology and tool can simplify the task of project relationship management, and contribute to a higher profile for the profession as well as a better project management experience for the accidental or novice project manager.

3.5 Summary of the Chapter

The *Stakeholder Circle*™ visualisation tool has generated a great deal of interest at conferences and presentations both in Australia and internationally. By itself it is merely a pretty toy. Developing a methodology to define procedures for the capture of information about a project's stakeholders, and then identifying key stakeholders with a simple but logical rating system, combined with the knowledge of the project team, changes the *Stakeholder Circle*™ to a potentially powerful methodology for managing relationships within and around a project. Developing a practical, dynamic engagement strategy and communications plan from this data should further strengthen its usefulness to the project manager.

The use of this methodology within organisations participating in the research outlined in Chapter 4, and evaluations from the research participants, shows how *Stakeholder Circle*™ can provide the knowledge and analysis necessary to support relationship management in projects for the benefit of the project and ultimately the performing organisation and all others involved in the project. This is described in detail in Chapter 5.

Chapter 4 - Research Design

This chapter describes and justifies the research design used in addressing the research questions identified in Chapter 1. Section 4.1 explores the philosophical and theoretical considerations that influence research design; such decisions are influenced by the world view of the researcher and by the direction set by the research proposition and related questions. Purposes of research, and appropriate approaches to research are presented in Section 4.2, research techniques in Section 4.3 and data collection methods Section 4.4. Discussions about the way that knowledge is gained through alternative views of social reality are defined as research paradigms in this dissertation.

Possible research approaches will be discussed and selected from:

- the purpose of the research – exploratory, description, explanatory;
- the time dimension – cross-sectional, longitudinal;
- the methodological strategy – inductive or deductive;
- methods of recording and analysis – qualitative, quantitative, or a combination of the two;
- data collection strategies;
- the role of the researcher – participant or observer or observing participant (Coghlan and Brannick, 2005).

A research design is developed and described in Section 4.6 that addresses the research questions presented in Section 4.5.

The research techniques adopted for this research are a combination of iterative cycles of methodology refinement to test and refine the methodology and tool – the *Stakeholder Circle*[™] and gauge its effectiveness in improving stakeholder management in the participant organisations; and case study supported by interviews, observation, and questionnaires to explore the willingness and capability of the project teams to use the features of *Stakeholder Circle*[™].

4.1 Philosophical Foundations

The researcher's views of reality and consequent preferences for its explanation are philosophically and socially grounded (Easterby-Smith, Thorpe and Lowe, 1997; Saunders, Lewis and Thornhill, 2003). This applies to assumptions about, and perceptions of, reality, and methods appropriate to address these assumptions within the research itself.

Ontology, the theory of being, refers to assumptions connected with a particular approach to social enquiry, and answers the question - *What is the nature of the reality to be investigated?* Epistemology, the theory of knowing, is the way knowledge can be gained in this reality and assumptions about what can be called knowledge rather than belief. Epistemology answers the question - *How can knowledge of this reality be obtained?* (Blaikie, 1993). Methodology is defined as the way the knowledge is gained, how theories are generated and tested, and the relationship between theoretical perspectives and research problems (Blaikie, 1993). The methodological framework is the structure of the research process necessary to enable the researcher to form conclusions.

Based on different 'world views', and different philosophical assumptions, researchers will have different positions on the nature of research philosophy (Easterby-Smith, et al., 1997). The most common positions – research paradigms - are positivism, interpretivism, and critical theory (Klein and Myers, 1999). A paradigm, or philosophical position (Saunders, et al., 2003), is a way of defining reality that has agreement within a defined group of people, such as scientists or psychologists, at a specific time, and implies assumptions about the nature of this reality (Babbie, 2004); it defines a whole system of thought, logic and assumptions (Neuman, 2003).

A research paradigm defines appropriate methods of inquiry; it defines how researchers conduct their research and what they are trying to achieve, and the way knowledge is gained. Paradigms link abstract issues to research techniques, with unique assumption sets and frameworks to support the efforts of researchers to acquire knowledge about social phenomena. Each paradigm is a different way of understanding the world – a 'social reality' constructed through observation and measurement (Neuman, 2003). These paradigms viewed within an ontological and epistemological framework, help researchers select the appropriate design – epistemology, and plan their research, design questions and analyse evidence -

ontology (Easterby-Smith, et al., 1997). Table 4.1 summarises the major research paradigms within their ontological and epistemological frameworks.

Table 4.1- Paradigms of methodological frameworks adapted from Blaikie (1993)

Paradigm	Ontology	Epistemology
Positivism	Ordered universe consisting of discrete, observable events, ordered by universal propositions. Only the empirical – experienced by the senses - can be regarded as real	Knowledge is derived from sensory experience through experimental or comparative analysis. Empirical regularities become scientific laws, attempting to gain predictive and explanatory knowledge of the external world by constructing theories – general statements that express these regular relationships
Interpretivism	Social reality is regarded as the product of processes by which social actors together negotiate the meanings for actions and situations. Social reality is these interpretations, becoming networks of socially constructed meanings	Knowledge is seen to be derived from everyday concepts and meanings
Critical Theory	Reality is interpreted by social actors as individuals or within social groups.	Assumptions held by the researcher determine the procedures used to discover and justify knowledge. Causal laws are not regarded as universal truths, but a basis for action. Truth is not based on evidence but on consensus

4.2 Research Approaches

In this section, research approaches will be examined including: research purposes, time dimension, methodological analysis and recording.

4.2.1 Research Purposes

Research can be exploratory, descriptive, or explanatory. Exploratory research attempts to clarify and explore an idea, event, or poorly understood phenomenon, or to develop propositions for further enquiry. It is focused on ‘what’ questions, using observation, open-ended questions in interviews, and/or focus groups (Sekaran, 2000). Descriptive research supports the development of precise measurements and reporting of characteristics of some population of phenomena (Neuman, 2003). Descriptive research is often used as the next step to exploratory research (Saunders, et al., 2003), constructing paradigms that offer a more complete theoretical picture through either qualitative or quantitative data (Sekaran, 2000). Explanatory research seeks the discovery and reporting of relationships among different aspects of the phenomena under study (Saunders, et al., 2003) and is focused on explanations

of phenomena that have been explored and described (Neuman, 2003). Table 4.2 below provides more information about these research purposes.

Table 4.2 - Purpose of research (Neuman, 2003)

Exploratory	Descriptive	Explanatory
Become familiar with the basic facts, setting and concerns	Provide a detailed highly accurate picture	Test a theory's predictions of principle
Create a general mental picture of conditions	Locate new data that contradicts past data	Elaborate and enrich a theory's explanation
Formulate and focus questions for future research	Create a set of categories or classify types	Extend a theory to new issues or topics
Generate new ideas, conjectures or hypotheses	Clarify a sequence of steps or stages	Support or refute an explanations or prediction
Determine the feasibility of conducting research	Document a causal process or mechanism	Link issues or topics with a general principle
Develop techniques for measuring and locating future data	Report on the background or context of a situation	Determine which of several explanations is best

4.2.2 Time dimension of research

The time dimension of research is either cross-sectional or longitudinal. A cross-sectional approach studies phenomena at one point in time, and produces a 'snapshot' of data. A longitudinal approach examines phenomena over an extended period of time; it produces a 'diary perspective' (Saunders, et al., 2003). Cross-sectional studies often employ a survey strategy, or interviews conducted over a short period of time. Exploratory and descriptive studies are often cross-sectional, while explanatory studies can be cross-sectional, but are more often longitudinal (Saunders, et al., 2003).

4.2.3 Methodological Strategy

Theory and research are linked through methodological strategies of deductive and inductive reasoning (Babbie, 2004). Deductive reasoning involves generalising from observation to a theory using logical processes (Sekaran, 2000) and testing ideas about 'how the world works' using 'hard data' (Neuman, 2003). Deductive reasoning is essential for working within the positivist and critical theory paradigms. Inductive reasoning begins with detailed observations of the world and moves toward more abstract generalisations, ideas, and relationships (Sekaran, 2000); developing theory from observable facts (Neuman, 2003). Inductive reasoning is used within the interpretivist and critical theory paradigms. Both approaches can be used in combination in a research project, if the research question directs such an approach (Saunders, et al., 2003).

4.2.4 Methods of Analysis and Recording

Quantitative research is concerned with numerical measurement, statistics, and mathematical models to test hypotheses, and supports the view of the positivist paradigm that there is an objective reality that can be accessed and measured (Saunders, et al., 2003). Qualitative research is more concerned with investigating social processes and experiences of those involved in them, generally through inductive reasoning, dealing with non-numeric data that is generally in the form of words or images. Qualitative analysis is based on interpretation and requires reflection and iteration (Babbie, 1993; Miles and Huberman, 1994). These methods of analysis determine methods of data collection.

4.3 Research Techniques

Research techniques address the issues raised by the research questions in the context of the philosophical drivers and theoretical choices. Techniques discussed will be quantitative designs of experimental research, survey research, and qualitative designs of field research/ethnography, action research, hermeneutics and phenomenology, and case study research with its extension, grounded theory.

4.3.1 Experimental Research

Experimental research is more closely allied to the principles of a positivist approach than other research techniques (Neuman, 2003); beginning with a hypothesis, making controlled change and then comparing the results of the changed situation with the original, unchanged situation. Experimental research can be conducted in the controlled conditions of a laboratory or conducted in the field and is best chosen for research that has few variables or narrow scope. Advantages of this technique are ease of replication, lower cost and requiring less time than other techniques; its limitations are that it can test only one or two hypotheses effectively at a time (Neuman, 2003).

4.3.2 Survey Research

Survey research is the most widely used data-gathering technique for social research (Neuman, 2003). It was developed within the positivist approach to social science and produces numerical results about the beliefs, opinions, characteristics, and past or present behaviour, expectations, and knowledge of respondents. This technique is able to test several hypotheses in a single survey and can be conducted through the mail, or electronically, using a self-administered questionnaire, by telephone or in person. The advantages of the mail- or

email-administered survey are its low cost, ease of administration by a single researcher, provision of respondent anonymity, and avoidance of interviewer bias. However, there is often a low response rate and little opportunity to know or control the conditions of response. Telephone interviews are flexible and have a much lower cost than face-to-face interviews; interviewers control the sequence of questions, but compared to email-based questionnaires they are high-cost, and the researcher can only conduct one interview at a time rather than the broadcast effect of mailouts. Face-to-face surveys have the highest response rate and permit longest questionnaires, but also have the highest cost (Neuman, 2003).

4.3.3 Field Research

Field research is also called participant-observation research. “It is qualitative style research where the researcher directly observes and participates in small-scale social settings in the present time and in the researcher’s home culture” (Neuman, 2003:364). It is appropriate when the research question involves learning about, understanding, or describing a group of interacting people (Neuman, 2003; Parker, 2004). Field researchers may use many methods of data collection - questionnaire, interview, observation, and secondary data; it is ideal for events in the present time (Neuman, 2003).

Field research can be descriptive, exploratory or explanatory. Case studies using detailed accounts of organisational practices, management practices, inductively generate theory from field data. Analysis from field research includes the search for hidden meanings, patterns, and relationships, development of concepts and theory from the data (Parker, 2004).

4.3.4 Hermeneutics and Phenomenology

Hermeneutics is essentially a methodology for interpreting text. It is closely associated with phenomenology, which is about uncovering the central meaning individuals derive from their experience of a particular phenomenon. Like participant-observation, phenomenology is concerned with how people make sense of their everyday activities and how they develop meanings from their interpretation of these activities (Parker, 2004). Hermeneutics is not limited to the experience of reading written text, but applies equally to the verbal texts of conversation and interviews. The individual constructs text to represent experiences and the researcher interprets and develops understanding and meanings from this text, often developing findings of the research in the form of text as narrative. Phenomenology is based on the idea that understanding is a product of human experience and that this experience is a

product of human interaction. Research employing this approach focuses on individuals, with descriptions and interpretations of their experiences in relationship to a particular phenomenon that the researcher is investigating: how they experience it and how they perceive that experience. Data are gathered through extended interviews with individuals who give their personal account of their experience of the phenomenon being studied. These accounts are analysed inductively to try to develop the meaning implied by these statements (Parker, 2004).

4.3.5 Action Research

Action research is neither pure research, focussing on the theoretical nor applied research, focussing on the practical (Easterby-Smith, et al., 1997). Action research is research through action, and usually involves research being part of a learning process, a change process, or the solving of a problem. Action research is research concurrent with action (Coghlan and Brannick, 2005); it generates practical theory (McNiff and Whitehead, 2000), but most important of all, those who have participated will have increased their knowledge through their participation (Coghlan and Brannick, 2005) and the organisation will benefit from both the outcome and the process of the research itself. Action research facilitates the movement of knowledge from the ‘high ground’ of the professions and abstract ideas to the ‘swampy lowlands’ of the everyday work of the practitioner, and in the other direction (Schon, 1983), and across the ‘theory-practice gap’ (McNiff and Whitehead, 2000).

The process of action research consists of defining the initial concept, designing the research strategy based on the goals and objectives arising from the research objectives, planning and implementing the defined action, and then monitoring and evaluating the results, learnings and effects of this implementation. Upon revision of the plan, after reflection and evaluation, the cycle of *plan, act, observe and reflect* is repeated (Kemmis and McTaggart, 1988; Saunders, et al., 2003).

4.3.6 Case Study

The case study is the preferred technique when ‘how’ and ‘why’ questions are considered, when the investigator has little control over events, and when the focus is on a contemporary phenomenon in a real-life context (Yin, 1994). Case studies are increasingly being used as a research tool (Yin, 1994), and involve either single or multiple cases, and numerous levels of analysis (Eisenhardt, 1989). Using a combination of data collection methods such as archives,

interviews, questionnaires and observation, case studies can be used to provide descriptions, test theory, or generate theory (Sekaran, 1992).

“The case study is employed to identify a specific form of enquiry – contrasting with social experiment and the social survey” (Gomm, Hammersley and Foster, 2002:2). Figure 4.1 shows the differences between the case study technique, shown as (b) - deep but narrow; interview, shown as (c) - moderately deep and narrow; and questionnaire data collection methods of survey research, shown as (a) – shallow but wide. The case study can be flexible in form; in depth as small number of cases or breadth across a larger number of cases. The aim of case study research should be to capture cases in their uniqueness, rather than use them as a basis for wider generalisation or for theoretical inference.

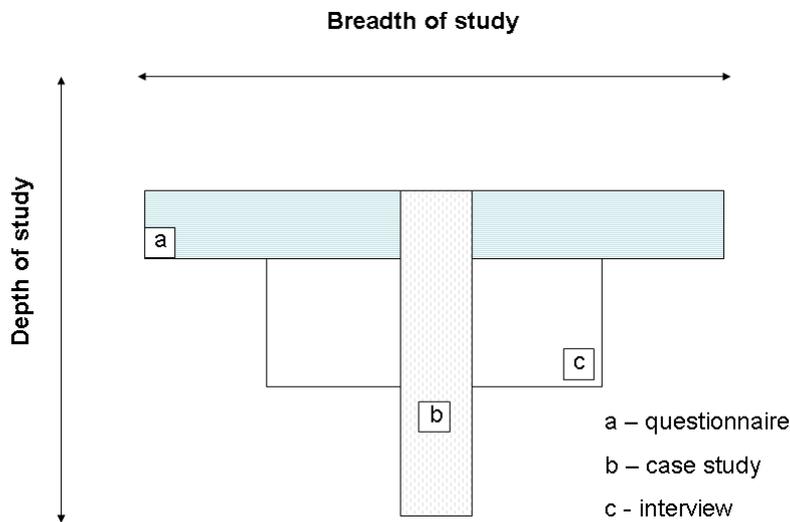


Figure 4.1 - Breadth and depth of investigations (Fellows and Liu, 1997:90)

4.4 Data Collection

Data collection methods are selected on a range of criteria and are related to the research approach to be used; whether it is qualitative or quantitative. Quantitative data are collected through experiments, surveys, existing statistics or other secondary data such as organisation business plans or project documentation; it can be expressed numerically or statistically. Qualitative data collection uses primarily field research, with interview, observation, participation and document examination (Neuman, 2003).

Data collection methods include surveys/questionnaires that are personally administered, through the mail or electronically; interviews – structured or unstructured and conducted face-to-face, by telephone, or computer-assisted; observation of individuals or groups. The

engagement of the researcher will vary, the options are: participant, a participant/observer, an observing participant (Coghlan and Brannick, 2005) or just as an observer. Analysis of documents is another method of data collection that requires no researcher engagement (Sekaran, 1992; De Vaus, 2003; Saunders, et al., 2003).

4.4.1 Criteria of Research Quality

Considerations of data quality should be incorporated in the research design and consequent data collection methods (Yin, 1994; De Vaus, 2003). For positivist research, the quality of the data collection methods and the data collected can be tested through reference to concepts of trustworthiness, credibility, confirmability, and data dependability (Yin, 1994), or reliability and validity. Interpretivist research should be confirmed or verified for plausibility of the researcher’s interpretations.

It is argued that reliability and validity are central issues in all research, whether qualitative or quantitative (Blaikie, 1993). *Reliability* means dependability or consistency (Babbie, 2004). *Validity* means truthfulness and is a measure of “how well the idea fits with actual reality” (Neuman, 2003:179). Validity and reliability are “ideals all researchers strive for” to establish truthfulness, credibility or believability of measurements and findings (Neuman, 2003:178).

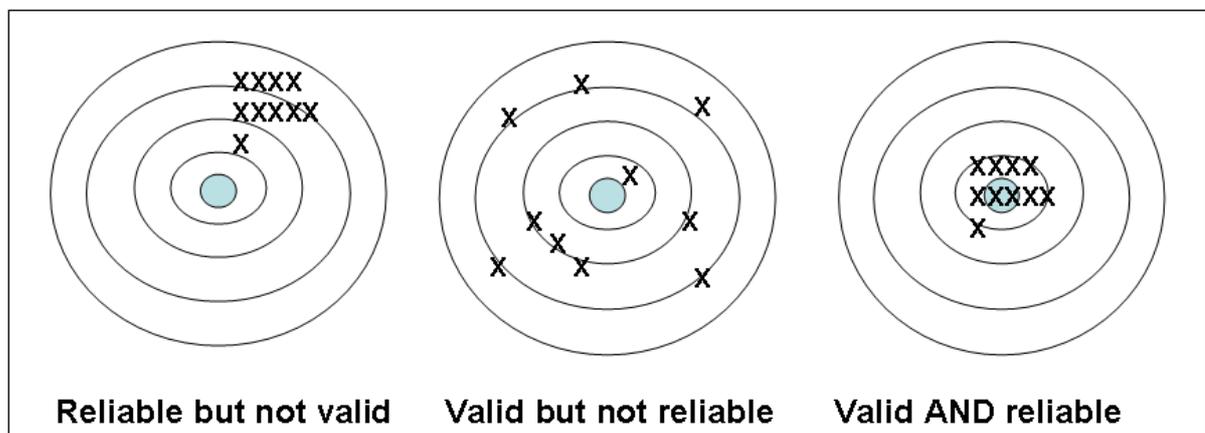


Figure 4.2 - Difference between validity and reliability (Babbie, 2004)

Figure 4.2 illustrates the difference between reliability and validity, where the central circle, the ‘bulls-eye’ is the position of complete accuracy. In this illustration reliability is demonstrated by the cluster of ‘x’ symbols – while the ‘bulls-eye’ is not hit, the ‘x’ will hit the target in the same area. Validity is demonstrated by hitting the target, not necessarily just on the ‘bulls-eye’, but within the boundary set by the whole target area. The ideal

combination of validity and reliability is demonstrated by the cluster of ‘x’ symbols hitting the ‘bulls-eye’ consistently.

The concepts illustrated by Figure 4.2 relate to positivist research: such concepts are not appropriate in the interpretivist tradition. Credibility of data and research findings can be verified through reviews with colleagues (Miles and Huberman, 1984). Ultimately researchers rely on agreement, with colleagues or within a profession or industry, to decide whether something is valid or real. “Social researchers should look to their colleagues and to their subjects as sources of agreement on the most useful meanings and measurements of the concepts they study” (Babbie, 2004:145).

Triangulation, using a number of research techniques and data collection methods, is useful to test the validity of research findings - positivism (Gill and Johnston, 2002; De Vaus, 2003); or add to the richness of understanding of the data - interpretivism (Walsham, 1995). While the objective of triangulation is convergence of evidence/data with the purpose of corroborating evidence about phenomena, there are a number of ways to conduct these evaluations. Repeating the data gathering activity, *data triangulation*, using several investigators, *investigator triangulation*, multiple perspectives of the same data set, *theory triangulation*, and *methodological triangulation*, illustrated in Figure 4.3 are all acceptable methods of triangulation (Yin, 1994).

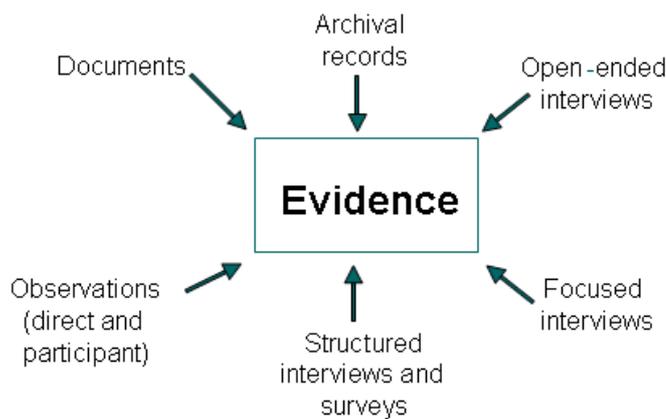


Figure 4.3 - Evidence convergence adapted from Yin (1994:93)

4.5 Research Questions and Objectives

The research proposition for this dissertation is presented in Section 1.3. Four themes emerge and are illustrated in Figure 4.4.

Research Theme 1 <i>project success (and failure)</i>	Research Theme 2 <i>refining the Stakeholder Circle™ (SHC)</i>	Research Theme 3 <i>gauging SHC effectiveness</i>	Research Theme 4 <i>PM skills and experience</i>
<p>Question 1: Objective 1 and Objective 2</p> <p>Reasons for project success/failure</p> <p>AND</p> <p>Question 2: Objective 3</p> <p>Existing stakeholder management practices</p>	<p>Prototype Stakeholder Circle™</p> <p>AND</p> <p>Success factors and existing practices</p> <p>LEADING TO:</p> <p>Question 3 : Objective 4</p> <p>Refined and tested Methodology and tool: Stakeholder Circle™</p>	<p>Effectiveness of Stakeholder Circle™</p> <p>Question 3 : Objective 5</p> <p>Business and construction projects</p> <p>Question 3 : Objective 6</p> <p>Measures of effectiveness</p>	<p>Question 4: Objective 7</p> <p>Willingness and capability of PM and project team to use the tool</p> <p>Skills and experience of PM and project team</p>

Figure 4.4 - Four themes of the research

4.5.1 Research Questions

The research themes are addressed by following research questions:

1. Does stakeholder management influence project success?
2. What are the essential features of effective stakeholder engagement?
3. Does the use of a methodology supported by a tool such as the *Stakeholder Circle™* increase the effectiveness of stakeholder management?
4. How willing and capable are the project manager and project team to use the *Stakeholder Circle™* methodology and visualisation tool to engage with their key stakeholders?

4.5.2 Research Objectives

The following research objectives were developed from the research questions:

Objectives 1 and 2 – from question 1 (addressing the first research theme)

1. to define project success (and failure)
2. to describe the relationship between project success and stakeholder management

Objective 3 – from question 2 (addressing the first research theme)

3. to identify and analyse current stakeholder management practices

Objectives 4 (addressing the second theme), 5 and 6 (addressing the third theme) – from question 3

4. to test and refine the *Stakeholder Circle*TM methodology and tool
5. to measure the effectiveness of the tool
6. to evaluate its effectiveness in both business and construction projects

Objective 7 - from question 4 (addressing the fourth theme)

7. to examine the willingness and capability of the project team to use the methodology.

The research design that addresses these questions to achieve these objectives is presented in the following section.

4.6 The Research Design

The design and structure selected for this research is a mixture of exploration and description, with a cross-sectional time dimension and inductive reasoning. The primary method of analysis and recording is qualitative, using data collection methods of interview, questionnaire, observation, formal and informal meetings, and analysis of documents.

The research is conducted in three phases: Phase 1 is the review of the literature on project success and stakeholder management, Phase 2 is an iterative methodology refinement process¹ and Phase 3 uses the case study technique. The first two research questions and objectives 1, 2 and 3, seek to understand the influences for improving the project success rates in both business and construction projects. This exploratory and descriptive approach – Phase 1 – drew on data from existing literature on project success (and failure) to identify that poor understanding and management of the expectations of key project stakeholders affected the perceptions of these key stakeholders about the value and potential, or actual, success of the project. Perception of lack of success, or lack of importance, caused key stakeholders to either no longer support the project objectives or actively work against their successful delivery. Additional research in the literature provided a list of the essential factors for effective stakeholder management, namely identification and prioritisation of key stakeholders for each phase of the project, and development of appropriate engagement and communication strategies to ensure that the needs and expectations of these key stakeholders were understood and met. This was Phase 1 of the research.

¹ The reasons for choosing this iterative method are explained later in this section

This list of attributes from Phase 1 influenced the questions for the structured and unstructured interviews; this was the starting point for Phase 3. The same list was used to refine the early version of the *Stakeholder Circle*TM methodology and toolset, the starting point for Phase 2 addressing question 3 and objectives 4, 5 and 6. Finally question 4 and objective 7, explores and examines how willing and capable the project teams in the study were to engage with their stakeholders using the methodology, visualisation tool and the information developed through use of the methodology, and how supportive the senior management of each of the organisations were. This was Phase 3 of the research. Phases 1, 2, and 3 will be described in more detail in Sections 4.7, 4.8 and 4.9 respectively. An overview of the research design is illustrated in Figure 4.5. The detailed structure is shown in Figure 4.6

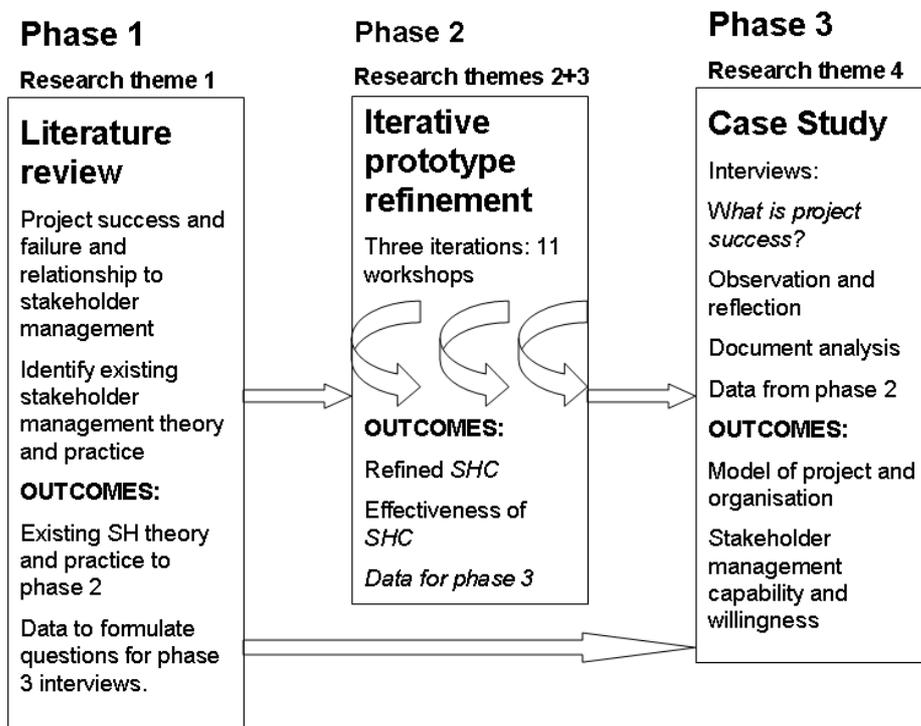


Figure 4.5 - Overview of research design

4.6.1 Relationships between research strategy and questions

In examining the alternative approaches offered by the research paradigms of positivist, interpretivist and critical theory, and the research approaches of quantitative or qualitative, the various data collection strategies and the research techniques, the options for Phases 1 and 2 were clear.

Phase 1 is addressed through a review of the literature to explore the causes of project success and failure and the relationship between project success and stakeholder management.

Phase 2 was initially identified as best addressed by action research to refine the prototype methodology and toolset of the *Stakeholder Circle*TM using a process of iteration for methodology refinement. The iterations would use facilitated workshops within participant organisations, continuing until no further opportunity for refinement could be identified. Further exploration of the theoretical basis of action research led to an understanding that the planned activity of methodology refinement did not fit all the criteria for action research. There were four criteria of action research: concurrent with action (Coghlan and Brannick, 2005); generating practical theory (McNiff and Whitehead, 2000); increasing the knowledge of the participants through their participation (Coghlan and Brannick, 2005) and delivering benefit to the organisation from both the outcome and the process of the research itself. In the research defined by Phase 2, the final criteria of benefit from the outcome for the organisation would not be achieved, and while individuals would benefit from the process, in the period of the research and immediately following, there would be no change within the organisation of the way they conducted relationship management.

Alternatives were reviewed: the first was ‘structured case’ (Carroll and Swatman, 2000), with the elements of plan, collect data, analyse and reflect within the framework of descriptive case study. However, the iterations refining the *Stakeholder Circle*TM methodology and tool were quite distinctly about improving the methodology and was the central part of the research; data collected during those iterations was essential for the further refinement of the methodology and separately as data for the case study. The precepts of ‘emphatic design’ (Leonard and Rayport, 1997) which employ the following steps: observation, data capture, brainstorming for solutions, reflection and analysis and development of prototypes was also considered. It was not appropriate for this research being intended for use for new product development.

The outcome of these deliberations was that the technique used by action research, structured case and emphatic design was the core of the methodology refinement process. Iterations of *plan, implement, monitor, and reflect* were used in incremental process improvement (Deming, 1982; Carroll and Swatman, 2000). This iterative approach was central to the techniques necessary to meet objective 4, and was selected for Phase 2 to refine the *Stakeholder Circle*TM methodology and tool primarily through the process of continuous improvement.

There were a number of options for Phase 3. The data collected through the iterations of Phase 2 were in the form of observations and questionnaires. The small scale, cross-sectional timeframe of this mostly qualitative data collection, required a strategy that supported inclusion of Phase 2 data. One methodical approach is to use the strategy of Yin (1994) which proposes three conditions to consider: type of research questions, control of the investigator over the event and focus on contemporary events.

Table 4.3 - Relevant situations for different research strategies (Yin, 1994:6)

Strategy	Form of research question	Required control over behavioural events?	Focus on contemporary events?
Experiment	How, why	Yes	Yes
Survey	Who, what, where how many/much	No	Yes
Archival Analysis	Who, what, where, how many/much	No	Yes/no
History	How, why	No	No
Case study	How, why	No	Yes

The key to research is understanding that research questions have both substance, what the research content is, and form, and the way that the question is asked. Choosing a research strategy can be summarised as follows:

“...the first and most important condition for differentiating among the various research strategies is to identify the type of research question being asked. In general, “what” questions may be exploratory (in which case any of the strategies could be used) or about prevalence (in which surveys or the analysis of archival records would be favoured). “How” and “why” questions are likely to favour the use of case studies, experiments, or histories” (Yin, 1994:7). Based on Table 4.3 which illustrates the process, the technique appropriate for Phase 3 is the descriptive case study.

4.6.2 The Structure of the Research

Figure 4.6 illustrates the details and interactions of the three phases of the research. The criteria for successful stakeholder management defined in Phase 1 are input to the development of the questions for the interviews. The interview structure was also important as background for the methodology refinement workshops and document analysis. The iterations of the workshops contributed both to the refinement of the methodology and reflection on the observations of the participants, both within the workshops and in project meetings that the researcher observed.

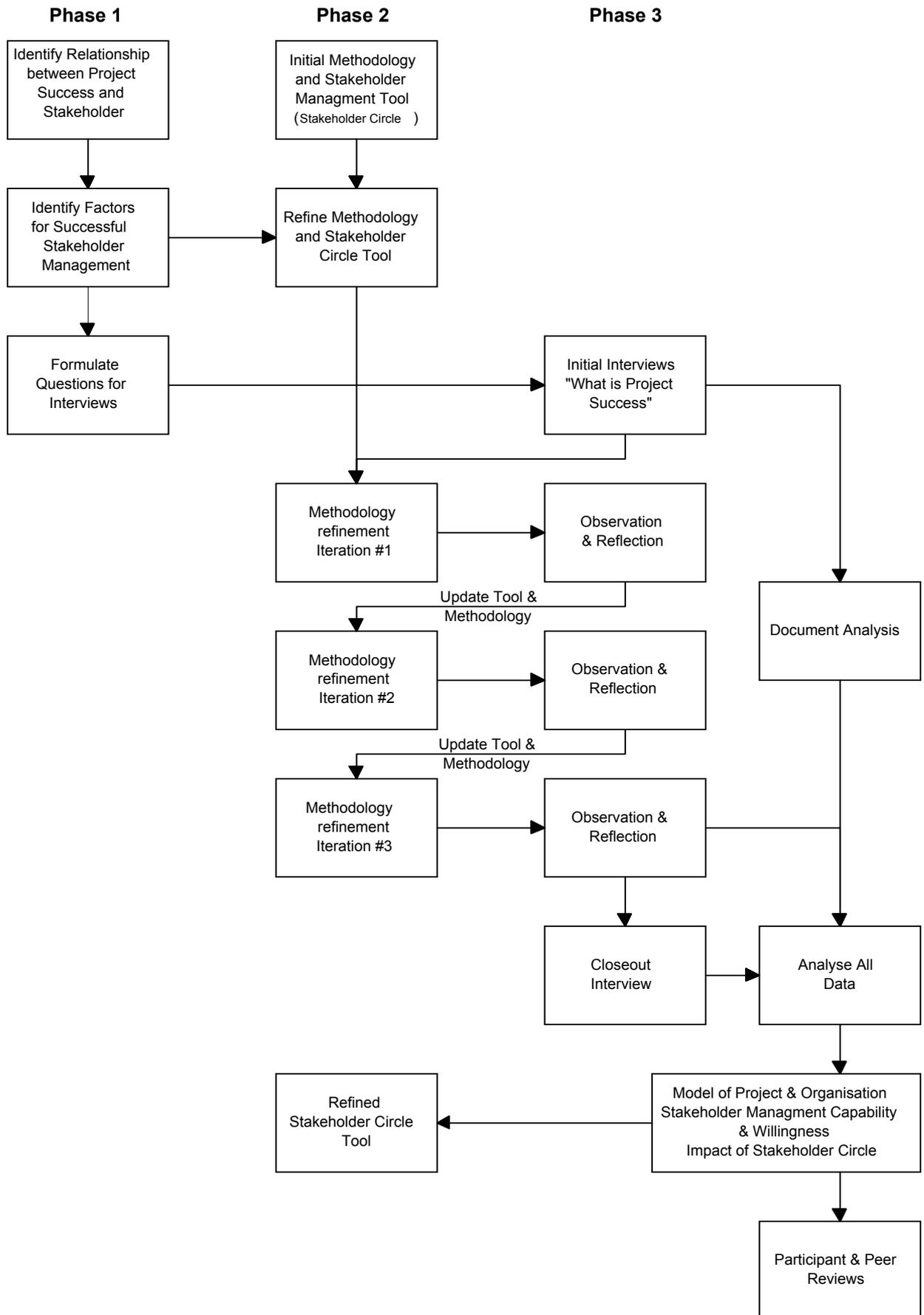


Figure 4.6 - Structure of the research

These observations and other data were diarised in the research journal both as records of events and conversation and records of the ongoing reflection (Coghlan and Brannick, 2005) and analysis that will form the basis of the description of findings in Chapters 6, 7 and 8 of this dissertation.

4.7 Literature Search - Phase 1

The literature search and critical review is the foundation of any research (Saunders, et al., 2003) and the essential starting point for this research. This phase established strong connections between project success and the management of relationships between the project team and key project stakeholders. It also supported the refinement of the early model of the *Stakeholder Circle*TM methodology and visualisation tool through verification of the factors of successful stakeholder management. The outcomes of the literature review (Chapter 2) are the starting points for both Phase 2 – iterative methodology refinement and Phase 3 – case study.

4.8 Iterative Methodology Refinement – Phase 2

The emphasis of the Doctor of Project Management Program on the importance of reflection as a tool for project management practitioners led to the consideration of an iterative approach to study the effectiveness of the *Stakeholder Circle*TM methodology and visualisation tool. Facilitated workshops involved project team members in using the methodology and tool within their own project environment and provided two major benefits. The first benefit was the improvement in stakeholder management processes within that project and development of a template and set of procedures for managing stakeholders in future projects within the organisation. The second benefit was practical input and evaluation of the effectiveness the methodology, the supporting software and the visualisation tool. The evaluation of the participants enabled improvements to be built into the methodology for the following iteration.

4.8.1 Data Collection

The iterative methodology refinement process started with a prototype of the methodology and visualisation tool that had been developed for use in a large organisation. It had been successful within that environment through the personal efforts and experience of the researcher. This prototype was the basis for facilitated workshops with participant projects. There were two workshops for each project, the first to identify and prioritise the project's stakeholders and the second to develop an engagement strategy for the key stakeholders. The

intention of the workshops was to provide the participants with procedures and supporting software to work through the stakeholder identification process, testing the definitions, instructions and data collection of the model. After each workshop, the participants were asked to complete evaluation forms.²

4.8.2 Methodology Refinement Cycles

The evaluation forms collected after each workshop and observations of the process enabled the methodology's processes and definitions to be refined. In most cases the methodology was refined before working with a new project, but in some cases when workshops were scheduled concurrently for the convenience of the participants, this was not possible. The iterations allowed reflection on the comments of the participants, the collection of observations as well as evaluations and the refinement of all aspects of the methodology. The process was intended to continue until evaluations yielded no adverse comments. However, from a practical perspective the number of iterations planned for this research was set at three, given the small number of potential projects. The first iteration was expected to yield the most refinement and efficiencies as a 'pilot', the second iteration was expected to be about small improvement and the final iteration was expected to validate the effectiveness and ease of use of the methodology and its processes.

4.9 Case Study - Phase 3

In an analysis of the appropriate research techniques to meet the needs of question 4 - *How effective is the Stakeholder Circle™ methodology and visualisation tool in assisting project teams to engage with their key stakeholders?* the strategy outlined in Table 4.3 was used. This strategy indicated that the case study technique was best suited to the requirements of a qualitative explanatory approach in a contemporary setting, the events of which the researcher has no control over (Yin, 1994).

4.9.1 Case Study data collection

In the case studies described in this research the unit of analysis is the project, personified by the project manager, and supported by the project team and the project sponsor. The project manager's organisation influences the actions of both the project team and the project

² Appendix J for the first workshop and Appendix K for the second workshop

stakeholders and will also be described. The case study descriptions are expected to provide data for interpreting the capability and willingness of the project team to use the methodology.

Data were collected in a number of ways. Interviews were conducted with the executive sponsor of the project³ and with the project managers⁴. This semi-structured interview format was intended to collect data about the individual's career experience and expectations of the project. The interview was developed from the literature review and the researcher's own experience.

During the iterative methodology refinement phase, data were collected through observation of the project team during the workshop, observation of the dynamics of other project meetings that the researcher attended, through analysis of documentation obtained from the organisation and independently, and from informal meetings with participants.

4.9.2 Case Study data analysis

The analysis consists of examining data collected from each of the participant projects and their organisations, both within each case and inter-case – comparing the case studies. Through an analysis of similarities and differences within the projects themselves and between the various projects, interpretation of the data may lead to conclusions about the willingness and capability of the project team to use the *Stakeholder Circle*TM for managing effective project relationships.

4.9.3 Validation

The data collected and the conclusions reached were tested in a number of ways: firstly, through presentation of the research report to the research participants and secondly, to members of the project management profession through conferences and presentations.⁵

4.10 Other aspects of Research Design

Although the three phases of the research identified in Figure 4.6 required different techniques, some aspects required identical processes. These were data management, selection of potential participant organisations, gaining access to research participants, and ethical considerations.

³ Appendix L

⁴ Appendix M

⁵ Appendix B for the list of journal and conference papers.

4.10.1 Data Management Strategy

Planning a data management strategy was an essential part of research design. Data was collected from the many data collection sources. It was essential to develop a process to ensure that data in all forms is readily retrievable. The data management strategy for this research covered documents collected, and offered, as background information, records of contacts with the participants both in summary and in detail, and records of interviews and other meetings with participants. Since most of these data were confidential they were separately filed in secured cabinets and in password protected computer files.

Background information

Documents gathered from the organisation and the project consisted of Annual Reports, Marketing and PR material, project documentation such as project plans, business plans, design and requirements documents and stakeholder management plans where available. Additional data about the participant organisations were collected throughout the research from newspapers and the internet.

Contact records

Contact data were recorded in the research journal and on contact summary sheets.⁶ This data was a record of the contact, but also a prompt for continual reflection through the question “What am I learning?” A spreadsheet summarising the total set of contacts was also maintained.

Records of interview

All interviews were taped, with the consent of the interviewees. Each record of interview was summarised and sent to the interviewees for their own record and for verification of the content. Of the five interviews recorded with senior management in the participant organisations, two complete transcripts were made and sent for verification; the others were transcribed in summary form and sent for verification.

4.10.2 Selection of Participants

Careful selection of the type of organisations and projects is essential for effectively conducting the research (Eisenhardt, 1989). Medium-sized organisations were targeted as the most appropriate for this research, judged as being less affected by ‘politics’ and ‘hidden

⁶ Appendix N

agendas'. Gaining access to the organisation and targeting suitable projects was considered to be less complicated than in a large, corporate organisation. To provide a wider view of an organisation's need for, and use of, the *Stakeholder Circle*TM methodology and tool, it was important to seek a mix of medium-sized organisations in both government and commercial sectors. For the same reason, a mix of project types was considered more effective; both business projects (IT and change) and construction projects were targeted.

Although approaches were made to an equal number of government and commercial organisations targeting an equal mix of business and construction projects, the final set of projects were two construction projects, three business IT projects and an organisational change project. These projects were situated in two local government organisations, two regional government organisations and one commercial project management organisation. The sixth project, the organisational change project, was added late in the data gathering phase at the request of one of the organisations. This last project involved changes to staff accommodation connected to one of the construction projects. It was considered that the additional work required to run this workshop was beneficial to the research by providing additional data, as well as being beneficial to the organisations by helping them understand the impacts of the accommodation changes on affected staff.

Reasons varied for those organisations that declined to be involved in the research. In some cases projects offered were not suitable because they were not at the beginning of a phase. Other projects were not selected because the project managers or their sponsors were not supportive of the research. The organisations that declined my request for involvement gave either lack of suitable projects or non-availability of resource (personnel or time) as reasons.

4.10.3 Gaining Access

In order to research the potential for addressing the strategic challenges of project stakeholder management through identification and management of their key stakeholders, research participants needed to satisfy some basic criteria:

1. Small to medium projects in service-based organisations (local or state government, medium-size private companies);
2. Projects whose whole life cycle (or a discrete phase) was 3 – 6 months in length;
3. PMs and/or team members who have had past (positive or negative) experience in managing stakeholder relationships;

4. Support from business/project management leaders to improve the relationship management processes for projects within that organisation.

The next part of this section will describe the three phases of access: getting started, building and maintaining trusting relationships with the research participants and finally, finishing up.

Getting started

Gaining access to projects and participants who meet these criteria was crucial to the success of the research (Saunders, et al., 2003) It was important to provide potential participant organisations and their managers with information about the nature and objectives of the research, the amount of time and effort of their involvement, but also the benefits to the organisation of participating in the research.

A letter of introduction with a summary of these details was sent to a nominated senior manager in the target organisation. In all cases these managers were referred by colleagues of the researcher. If there was interest from that first contact, the next step was a presentation with more details and information about the researcher's background. In most cases, the presentation aroused enough interest for a project to be nominated, and for schedules for meetings and interviews to be developed and implemented. Establishing contacts in potential organisations, finding the appropriate senior manager and gaining an appointment to discuss the research, its benefits to that organisation and the requirements of the research was time-consuming and was not always successful (Easterby-Smith, et al., 1997; Saunders, et al., 2003). In one instance, the time between first contact and the first and second workshops was over six months; this organisation was one of the first to express interest and was the last to participate in the planned workshops.

During the research

During the course of the data collection phase of the research, it was important to build and maintain trusting relationships and build rapport with the participants and their managers (Neuman, 2003). Informal meetings for coffee and phone conversations augmented the scheduled meetings and often provided more useful insights for this research.

Finishing up

Because a trusting relationship was developed during the course of the research, it was important to ensure that the relationship was finalised correctly. In this research, presentations were offered to all those who had been involved, to provide them with information about their

own project and organisation as well as the full set of findings. The final step was to send all participants and their managers personal letters of thanks.

4.10.4 Ethical Considerations

At the very least, a researcher must recognise the importance of three aspects of ethics: informed consent in recruitment of participants, avoidance of harm in the fieldwork and confidentiality in reporting of the findings, and providing assurances of privacy, confidentiality and anonymity (Miles and Huberman, 1984).

Ethics in research refers to “a code of conduct or expected societal norm of behaviour while conducting research” (Sekaran, 1992:17). It is essential that ethical behaviour is treated as part of all aspects of the research – data collection, data analysis, reporting, and publication of information. Through all phases, the confidentiality of the organisation’s information and the privacy of the individual must be secured. The participants must be clear on the nature of the research and should participate freely. They should have the option of withdrawing at any time throughout the study. If the researcher is to attend meetings as an observer, the researcher must be introduced and the reason for attendance must be stated – a summary of the research and the reason for attendance is appropriate. Participants to be interviewed must have the research explained and be assured that their privacy and the confidentiality of the information will be protected. Permission must be given to use a recording device for the interview. A transcript (or summary) made from the interview must be despatched to the interviewee to check for accuracy. The organisation was sent a letter on RMIT letterhead with a statement about the research itself and the participants’ rights with regard to the actual data collection process⁷. A consent form must be signed by the interviewee.⁸ All of this was done in a manner defined and approved by the RMIT Ethics Committee.

4.11 Summary

This chapter describes the research design and the structure of the research. The first section describes philosophical and theoretical foundations of social enquiry, and the alternative approaches and possible techniques. The research proposition, the research questions and objectives of the research are restated, and structure of the research is described. Chapter 5 describes the iterative refinement and Chapters 6, 7 and 8 the case studies.

⁷ Appendix O

⁸ Appendix P

Chapter 5

Iterative Methodology Refinement

Chapter 4 described and justified the selection of the technique of iterative methodology refinement to address research question 3:

Does the use of a methodology supported by a tool such as the Stakeholder Circle™ increase the effectiveness of stakeholder management?

Research objectives 4, 5 and 6, related to Question 3 are:

4. to test and refine the *Stakeholder Circle™* methodology and tool
5. to measure the effectiveness of the tool
6. to evaluate its effectiveness in both business and construction projects

This chapter describes Phase 2 of the research study of this dissertation: iterative methodology refinement to test the effectiveness of the *Stakeholder Circle™* methodology and visualisation tool. The methodology, its origins and history, and details of the process have been described in Chapter 3.

This chapter is organised in five parts: Section 5.1 gives a brief description of the organisations and the projects that were part of the research; full descriptions will occur in subsequent chapters – Chapters 6, 7 and 8. Section 5.2 describes the workshop process. Section 5.3 provides an overview of the iterative methodology refinement process as it was implemented, with a summary of the results. Section 5.4, 5.5, and 5.6 describe the iterations in detail. Section 5.7 examines the research participant's view of whether the *Stakeholder Circle™* can (and did) increase the effectiveness of stakeholder management; followed by an examination of the effectiveness of the methodology and tool in assisting project teams in engaging with their stakeholders. This analysis will cover the three levels of the *Stakeholder Circle™*: methodology, supporting software and visualisation tool. It will focus on evaluations of the usefulness and effectiveness of the methodology, of the software supporting the methodology, and of the visualisation tool in identifying key stakeholders and forming the engagement strategy.

5.1 The Research Environment

Five organisations participated in the research, two local government organisations – Council 1 and Council 2, two regional government organisations – Department 1 and Department 2, and one commercial organisation - Builder. There were six projects: three IT, two construction and one business change project. Further descriptions of the participating organisations will be detailed in the case study descriptions of Chapters 6, 7 and 8. They are summarised in Table 5.1.

Table 5.1 - Summary of the projects

Organisation	Project	Project type	SHC description
Council 1	Asset Management System	IT	Figure 6.4
Builder	Town Hall Re-development	Construction	Figure 7.4
Council 2	City Mall Re-development	Construction	Figure 7.8
Department 1	eDocRec	IT	Figure 7.12
Council 1	Town-Hall staff accommodation	Business change	Figure 8.3
Department 2	Knowledge Net	IT	Figure 8.7

5.1.1 The Cases

Council 1 - The Asset Management System

Council 1 is a local government body serving an inner city constituency, with a very diverse set of residents and ratepayers, from wealthy professionals to single parents and the unemployed, and from long-term residents to transients.

The IT project was an Asset Management System, introduced to assist Council 1 in complying with Government requirements and to ensure greater efficiency in managing Council 1's assets which included roads, curbing, buildings, and drains. The phase of the project covered by this research was the selection of a vendor to provide the solution based on a commercially available software package, and to implement the solution, working with the project team from Council 1.

Builder – Town Hall re-development

Builder is a private business infrastructure solutions company, offering services in the areas of projects, property, both management services and development services.

The project was the Town Hall re-development project; the client was Council 1. Builder's role was contracted project management, managing all the professional service providers as well as the overall program. This seemed to be the usual structure of construction projects (Winch, 2003).

Council 1 – Accommodation project

This project was the staff view of the accommodation changes resulting from the Town Hall re-development project. The accommodation project had two parts. The first part involved moving Council 1 staff from their current accommodation in the part of the Town Hall that was to be demolished, into temporary accommodation. The second part was the development of new accommodation arrangements for the re-built and re-furbished parts of the Town Hall.

Council 2 – City Mall Re-development

Council 2 is responsible for the principal city in the Region. The city has many public spaces – parks, waterways, railways and street and has often been awarded for their urban designs for public works within the city. The division had a widely diversified team, consisting of architects, urban designers, landscape architects and industrial designers.

The project was the re-development (revitalising) of the central city shopping mall – a city street that is closed to traffic, but serviced by public transport, flanked by department stores and smaller shops, often part of a retailing chain. The plan featured development of more flexible open space that allows activities and events, quiet sheltered places for shoppers and visitors to the city to relax, more prominence for the historic facades of buildings, re-surfacing of the roadway for improved safety and aesthetics.

Department 1 – eDocRec

Department 1 is part of the Regional Government and is the lead provider of essential infrastructure for the region, with responsibility for transport, major development, ICT, energy and security.

The project was an IT project, whose main objective was to deliver a single department-wide electronic document and records management solution, that complied with standards defined (and being defined) by the regional Office of the CIO (OCIO). My research was based on the pilot phase of the solution, to be deployed in one key area of Department 1.

Department 2 – Knowledge Net

Department 2 is part of the Regional Government and brings together Government activities concerned with reform, administration and enforcement of the law in the Region.

The IT project Knowledge Net was intended to support the Department's knowledge strategy by providing an online information exchange platform allowing the entire Department's Business Units (BU) to access information resources through a browser interface. Later stages were proposed which would enable access to others outside the Department. Stage 1 was focussed on developing the portal infrastructure and integration of platforms into a single access point and navigation framework as well as systems development and integration and BU content delivery.

5.2 The Workshop Process

The workshop processes are described in detail in Chapter 3 and shown in Figure 3.2. The methodology consists of two workshops. The first workshop is focussed on identification of the project's stakeholders, their project roles and importance to the project, and their expectations of the project leading to an assessment of each stakeholder's relative importance as described in Section 3.2. The outcome of the first workshop is a prioritised list of the project's stakeholders with data necessary to develop an engagement strategy and communication plan in the second workshop. The outcome of the second workshop is a communications plan that has the agreement of the project team and key project stakeholders. These agreed communication activities will be included in the project's schedule for reporting against at regular project meetings.

Workshops were held for each case. The participants of the workshops were project team members, selected by the project sponsor because of their understanding of both the project environment and the organisation's cultural landscape. The selection of team members with this knowledge was expected to ensure a more accurate picture of that project's stakeholder community. Table 5.2 provides details of the number and project role of the workshop participants in each organisation. The process of selection of the participant organisations and then gaining access to them was described in Section 4.10.

Table 5.2 - Details of workshop participants

Participant Organisation	Project role of participants	Number of participants
Council 1 – Asset Management System	Line Manager of Asset Group – ‘Project Manager’ 2 staff of Line Manager Manager, Records – no project role, but experienced in IT implementation Sponsor of the project reviewed the workshop outcomes	4
Council 1 – accommodation project	Manager, Records – appointed Change Manager for project Client Project Manager – liaison with contracted project manager Staff representative – ensuring staff affected by the project were fully informed and represented.	3
Council 2 – City Mall Re-development	Project Director Project Manager Stakeholder Manager	3
Department 1 - eDocRec	Business Owner Project Manager Records Specialist	3
Department 2 – Knowledge Net	Program Manager Project Manager Infrastructure Project Manager Integration Architect	4
Builder – Town Hall Re-Development	Builder MD –Project Director Project Manager	2

I facilitated the workshop activities, commenced with a brainstorming exercise to build a list of all project stakeholders. The additional data: roles, expectations of the project and importance to the project for each of the listed stakeholders were collected as a second pass. With each of these stakeholders listed, an assessment process of rating *power*, *proximity* and *urgency* as defined in Appendix 3.4, was conducted based on the project team’s knowledge of the stakeholders and their importance to the project. The resulting numbers were input to the software and processed. The outcome of this workshop was a prioritised list of stakeholders, which was applied to the software to develop the project’s unique *Stakeholder Circle*TM. Analysis and evaluation of the stakeholder community shown in the *Stakeholder Circle*TM was the action of the second workshop. There was an opportunity at this stage to re-assess a stakeholder’s relative importance by re-applying the rating process to ensure that the picture of the stakeholder community resulting from the workshop exercises fitted the knowledge and experience of the participants.

Once the *Stakeholder Circle*TM was produced and verified in the workshops it was presented to the project sponsor for review and additional verification.

5.3 Iterative Methodology Refinement

The process of iterative refinement follows the *plan, implement, monitor, and reflect* cycle advocated in many research and continuous improvement methods (Deming, 1982; Kemmis and McTaggart, 1988; Leonard and Rayport, 1997; Carroll and Swatman, 2000). It consists of defining the initial concept, designing the approach, planning and implementing the defined action, and then monitoring and evaluating the results and effects of this implementation.

Upon revision of the plan, after reflection and evaluation, the cycle of plan, act, observe and reflect is repeated (Kemmis and McTaggart, 1988; Carroll and Swatman, 2000; Saunders, et al., 2003).

In this project, data were collected through document analysis, interviews, observation, and informal discussions in the form of ‘coffee’ and ‘advice’. This ‘informal’ data enhanced the workshop process, just as data collected through the workshop process were important in developing descriptions of the organisation and the project relationships. Figure 5.1 summarises the process which will be described in detail below.

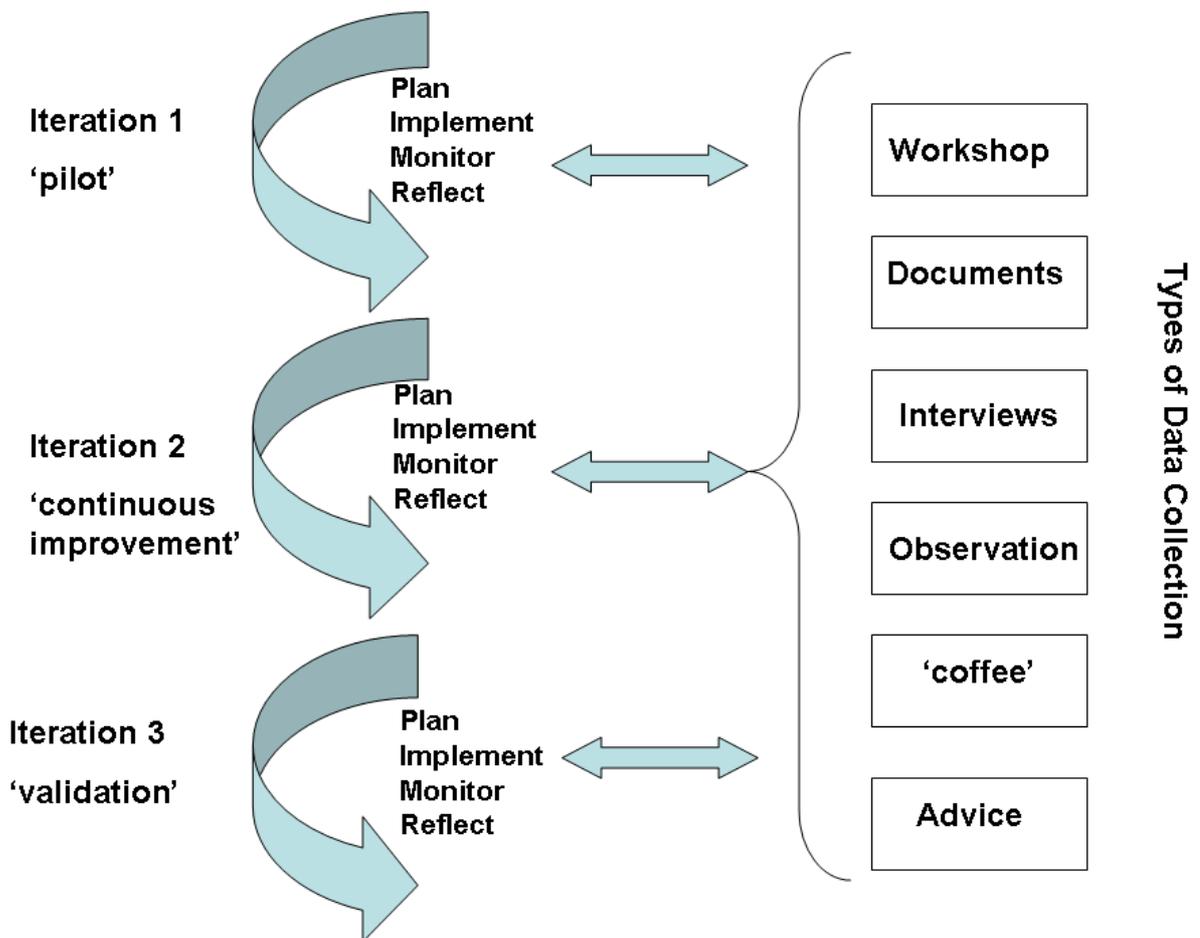


Figure 5.1 - Summary of the iterative process

The first step of the iterative process of *plan, implement, monitor, reflect*: designing the strategy is described below. The prototype *Stakeholder Circle*TM was the starting point of the iterative process. The concept and prototype had been presented to project management conferences since 2003¹; it was the enthusiastic response of the audiences at these conferences that encouraged further development of this methodology and tool.

5.3.1 Designing the refinement strategy

The refinement strategy was based on testing the value and practical application for the participating organisations of using not only the methodology but also the visualisation tool. The early forms of the methodology appeared to be effective for IT projects in the corporate world, but I was interested in testing its value in other organisations, particularly medium-sized government and commercial organisations. I was also interested in comparing its value to the organisation in different types of projects. I selected IT and construction projects for testing and refinement of the methodology.

The design was based on the *plan, implement, monitor, and reflect* cycle with each iteration following that pattern. *Plan and implement the defined action* was addressed through workshops that used the procedures of the methodology for identification and prioritisation of the project stakeholders in one workshop, and developing the engagement strategy and communication plan in the second. This methodology is described in detail in Chapter 4 and illustrated in Figure 3.2.

The visualisation tool – the development of that project’s unique *Stakeholder Circle*TM from the data collected in the first workshop was the key input to the second workshop, and comments were invited on how this tool reflected the ‘reality’ of the project from the participant’s perspective. At this point changes could be made to the assessment of each stakeholder’s priority to alter the ‘picture’ of the project’s stakeholder community. This was part of the *monitor the action and its effects* phase of the cycle.

¹ Appendix B gives details of conferences and refereed papers on the subject of the *Stakeholder Circle*TM

Table 5.3 - Summary of the iterative refinement for the *Stakeholder Circle*TM

Project	Changes	Output
Council 1 – Asset Management (4 participants for each workshop)	‘Pilot’ 1. Prototype <i>Stakeholder Circle</i> TM was refined four times to enhance presentation of stakeholder information (see Appendix 5.1 and 5.2) 2. Definitions of <i>urgency</i> refined to incorporate concepts of project team actions to accommodate stakeholder requirements. Early definition was ‘how likely is the stakeholder to use his/her power’ – this definition was difficult for the participants to assess 3. Process for capturing stakeholder data was modified to decrease workshop time	<i>SHC V1, V2 and V3</i> New def of <i>urgency</i> Pre-input of project data to Workshop 1
Department 1 – eDocRec (3 participants each workshop) Builder – Town Hall redevelop (2 participants) Council 2 – City Mall (3 participants)	‘continuous improvement’ 1. Further modification of the <i>Stakeholder Circle</i> TM to enhance presentation occurred before the workshops for iteration 2 began. (see Appendix 5.2) 2. Additional definitions were added to the spreadsheet to assist participants assess stakeholders and develop engagement strategies. These definitions were weightings for ‘interest’ and ‘support’ as elements for assisting project team in developing engagement strategies. (see Appendix 5.8) 3. Additional efficiencies added to workshop procedures to reduce time needed to develop prioritised stakeholder list.	<i>SHC V4</i> Definitions to support engagement strategy and comms planning
Department 2 -Knowledge Net (4 participants) Council 1 accom’ dation (3 participants)	‘validation’ There were no further changes to the methodology or the presentation of the visualisation tool	<i>SHC V4</i>

Evaluations from the participants were inputs to the second phase of *monitoring*, with comments on the evaluation sheets leading to refinements in the data collection, the definitions, or to the enhancement of the presentation of the tool itself. Finally *reflection and evaluation* included answering the questions: *What worked? What didn’t work? Why? What did I learn? What did they learn? What did they learn from me?* Using my own observations and those of the participants as inputs to this reflection, the data that resulted became inputs to phase 3 (case study) of this research or refinements to the methodology or the tool. Where necessary, refinements were made and the cycle was repeated.

The design allowed for flexibility in the number of iterations of the *plan, implement, monitor, and reflect* cycle, but assumed that there would be at least two iterations. The design defined the finishing point as the cycle that had no suggestions for improvement from the participants of the action research workshops. This point was reached after the third cycle. Table 5.3 summarises the resulting process.

5.4 ‘Pilot’ – first iteration

The ‘pilot’ phase, the first iteration, occurred over the period from April 2004 to August 2004 and was conducted with the participation of three key project team members and an experienced IT manager from Council 1. This section describes this iteration. Details of the actual times taken and the outcomes of each session are attached.²

5.4.1 Planning and implementing the defined action

The planning and implementation phase of this cycle consisted of data collection activities, and working with the participants in identification of stakeholders and their prioritisation, followed by development of the key stakeholder engagement strategy and communication planning. The initial plan is outlined and then the actual timeline is discussed.

Data Collection

Data were collected through project documentation, meetings with the project team and their sponsor. The participants and their senior management were prepared through briefing sessions about the content and expected learning outcomes of the workshops for both the organisation and for the researcher.

The Initial Plan

The initial plan identified the need for two workshops – identification and prioritisation, and stakeholder engagement. The workshops were planned to take no longer than 90 minutes each. Even though there was a significant interval between first contact - April 2004, and first workshop – August 2004, the organisation was totally supportive of the research and was tolerant of my learning curve.³ In reality, the workshops took much longer than originally planned, instead of 3 hours overall, the Council 1 workshops actually took 6.5 hours.⁴

² Appendix T

³ Appendix S - details of the initial plan for the first workshop.

⁴ See Appendix T for details of actual time and deliverables.

5.4.2 Monitoring the results and effects

As a result of the exercise with Council 1, a number of modifications were made to the methodology and the tool. The definitions of the three rating aspects were refined, in particular *urgency*, and data presented in the *Stakeholder Circle*TM was made more transparent by adding an additional concentric ring, enabling finer variations in the rating of relative importance amongst the Stakeholder Community. The outcomes of this first iteration are shown in the versions of the *Stakeholder Circle*TM in Appendix Q. Iteration 1 is summarised in Figure 5.2 below.

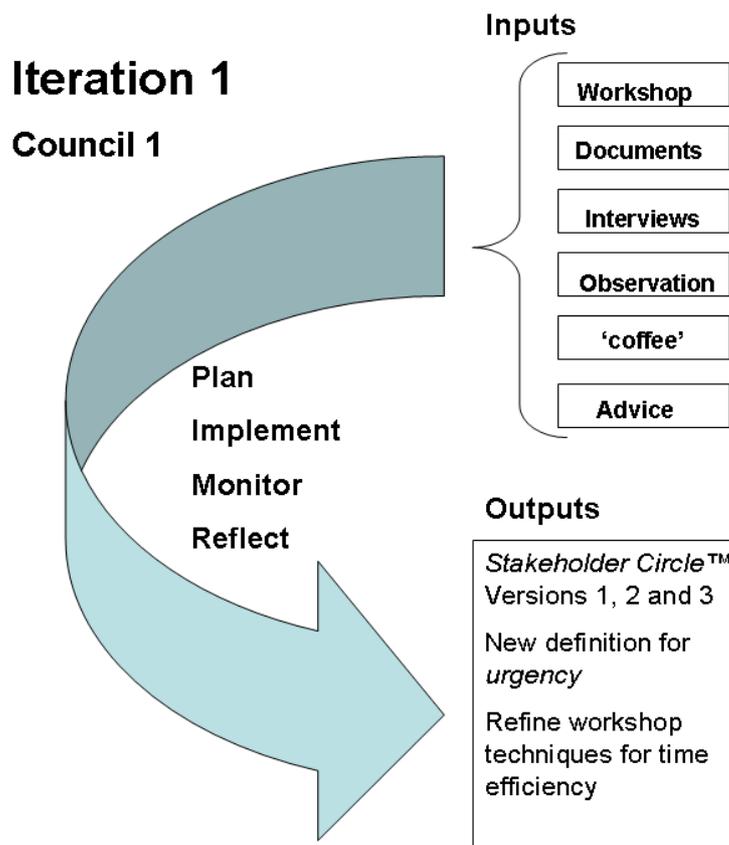


Figure 5.2 - Summary of Iteration 1

5.4.3 Reflection and evaluation

After each workshop was completed, the participants were asked to complete evaluations on the content of the workshop and the methodology with ratings from 1 to 5, where 5 = very good, and to make suggestions for improvement. Participant evaluations for the 'pilot' phase were generally positive. Responses are summarised in the box below:

Workshop Evaluation: Council 1

Worked well

“Articulations of scope, breadth, and depth of project and relationships to organisations.”

“Systematic way of processing shared information.”

“Identifying what is important in getting the project to work.”

“Being questioned on various categories/types of stakeholders.”

Needs improving

“Clarity re distinctions between ‘current’ context and desired or changing

“Clearer definitions of ‘term’/‘criteria’.”

“Clarification of the terms eg ‘urgency’.”

The sponsor, an experienced business manager, provided valuable feedback on the appearance of the *Stakeholder Circle*TM. He could see the benefit of the methodology and was prepared to put the chart up on his office wall, at my suggestion. In theory, the public display of the project’s *Stakeholder Circle*TM would publicise the project and to ensure that everybody (even the stakeholders themselves) understood clearly who the important stakeholders were. His advice was primarily about better presentation of the *Stakeholder Circle*TM from a business acceptability and commercialisation perspective. He had described the initial *Stakeholder Circle*TM as the “*Dulux colour wheel*” because of its gaudy appearance.⁵

Overall ratings

Overall ratings were also positive; the questions on the value of the methodology - whether the methodology would be used again – were high; (4) or (5) where (1) was ‘not confident’ and (5) was ‘very confident’.

Researcher evaluation

On reflection, it was clear that Iteration 1 performed the function of a pilot, starting with a concept that had had limited trials in large complex organisations and using a co-operative medium-sized organisation to review and refine the methodology and presentation style of the *Stakeholder Circle*TM tool. This result was expected.

Heeding the comments about the presentation style of the *Stakeholder Circle*TM in its early versions, I contacted a graphic designer to help develop a more commercial presentation style. The resulting *Stakeholder Circle*TM is shown in Appendix 5.1. This one was described as

⁵ See Appendix Q for changes in the appearance and presentation of the *Stakeholder Circle*TM

“*Laura Ashley*” because of its more subdued colours and use of print-like patterns. A further refinement consisted of combining the patterns with solid colours to represent key project stakeholders.⁶

My estimate on the time taken to complete each workshop needed to be re-assessed. I wanted to ensure that the activity could be undertaken without causing too much inconvenience for the participants. As with any project planning exercise, it was essential that those team members whose input was needed did not view the exercise as onerous and time-wasting.

I think that the lack of project management skills of the individuals participating in the workshops influenced the time taken to complete the exercises. None of the participants had been involved in project planning activities before these workshops and so they were unfamiliar with the operation and value of the processes being used.

Final comments on Iteration 1

Council 1 participants expressed interest in learning more about the connections between the two workshops and project planning and implementation activities as well as connections to risk management and communications management. The lists of stakeholders developed as part of the workshop activities was so comprehensive that it is now the stakeholder template for Council 1. The concepts of using engagement strategies tied to risk management and project reporting has also been accepted by the IT Manager, ‘J’, as an essential part of managing the change management aspects of the accommodation project. The participants of the workshops evaluated the improvement in their knowledge of understanding and managing relationships as a result of the action research workshops as positive.

5.4.4 Revision of the plan

To ensure that the time taken for the activities of the workshops and connected data collection (interviews, documentation, meetings) was kept to a minimum, my goal was that the workshops could be completed in normal planning session time – generally around 60 – 90 minutes for a session. Before the next workshops I actively sought to acquire project documentation from the participant organisations, particularly documentation that showed who potential stakeholders might be, so that I could start each workshop with as much material prepared as possible. Although I was focussed on reducing workshop time, I allowed time in the plan for the participants to understand the theoretical aspects of stakeholder

⁶ This version is shown in Appendix R.

management before the first workshop began. The plan allowed time before the second workshop for their reflection on the process and for discussions on the *Stakeholder Circle*TM that had been developed through the workshops.

5.4.5 Repeat the cycle

The visualisation tool was slightly modified before Iteration 2 began, as a design improvement; the “*Laura Ashley*” patterns were combined with solid colour segments to provide more contrast. This was viewed by the sponsor of Council 1 as more aesthetically pleasing, more commercial, and easier to read. This was version 4 of the *Stakeholder Circle*TM and was the basis for Iterations 2 and 3.⁷

5.5 ‘Continuous improvement’ – second iteration

The ‘continuous improvement’ phase covers the period from June 2004 to October 2004 and was conducted with the participation of Department 1, Builder, and Council 2.

5.5.1 Planning and implementing the defined action

The planning and implementation phase of this cycle consisted of data collection activities, and working with the participants for stakeholder identification and prioritisation, and the engagement strategy and communication planning. Planning for the workshops in this iteration consisted of pre-populating the spreadsheets with information deduced from the documentation provided by the participant organisations as well as from information obtained through discussions with the project manager and the sponsor. By using this strategy, I was able to significantly reduce the time of the first workshop to the initial estimate of 90 minutes for each workshop, but still allow time for briefing the participants on the theoretical aspects of stakeholder management and consolidating their learning through discussion at the end of the final workshop.

Data Collection

Data were collected through project documentation, meetings with the project team and their sponsor. The participants and their senior management were prepared through briefing sessions about the content and expected outcomes of the workshops. Figure 5.3 summarises the ‘continuous improvement’ phase.

⁷ See Appendix R.

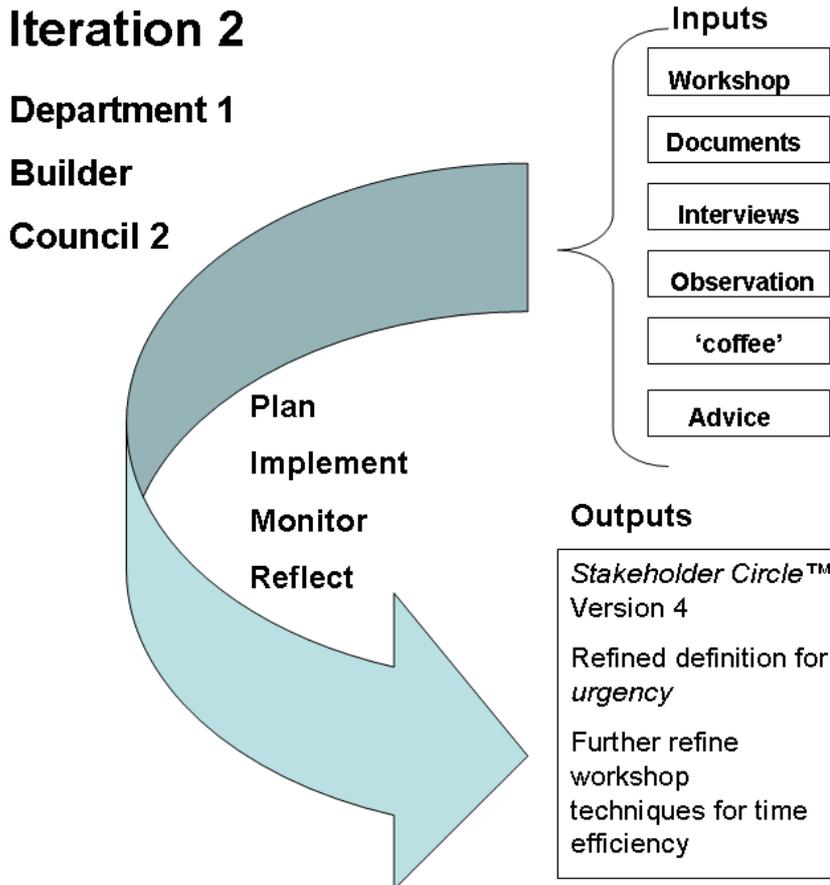


Figure 5.3 - Summary of Iteration 2

5.5.2 Monitoring the results and effects

This iteration was about 'continuous improvement', with a need to refine the methodology in small increments in response to the evaluations from the participants. The detailed evaluations and reports from all workshops are attached.⁸ Summaries of comments and evaluations from each of the participants are part of the reflection and evaluation section following.

5.5.3 Reflection and evaluation

There was a great deal of overlap in the three sets of workshops. Overall there were no major changes resulting from comments or suggestions from participants of the three organisations. I had to be quite flexible; with Council 2 I had to combine the workshops to take advantage of the limited availability of the project director. This organisation had a very comprehensive list of stakeholders, and I was able to save time by having the identification process mostly completed before the workshop commence. The same applied to the engagement and communication workshop. Council 2 had employed a stakeholder manager who was expert in

⁸ See Appendix U

media management and PR and so they were, theoretically, well placed from a stakeholder identification and communication perspective. Other Council 2 stakeholder management issues will be discussed in Chapter 7. Builder declined to participate in the second workshop, believing that their processes were adequate and did not need modification, although Builder PM requested a final session to discuss the results of the workshop he attended.

The evaluations from the workshop participants of Department 1, Builder, and Council 2 follow.

Workshop Evaluation: Department 1 workshop 1

“Power/urgency proximity in same order on guide and spreadsheet” refine presentation of ensure consistent presentation. (Two comments on this factor)
“Discussion of detail, perspectives of project wrt stakeholders (worked well).”
“Enjoyed insight into the process”
“The stakeholder analysis and rating

Workshop Evaluation: Department 1 workshop 2

Worked Well

“Developing communications for individual stakeholder profiles”
“Made us focussed”
“Identifying the needs of specific groups to the project and how best to communicate this”
“Systematic method and approach

Needs improving

“Definitions of factors (especially ‘urgency’)
“Continue to simplify if possible”

Overall rating: Department 1

Overall ratings from Department 1 participants were also positive with questions on whether the methodology would be used again answered as (4) or (5) where (1) was ‘not confident’ and (5) was ‘very confident’.

Workshop Evaluation: Builder Workshop 1

Worked Well

“The ability of using this method to systematically identify stakeholders” “Comparative ratings”

“Focus of time on the issue” (Researcher pre-prepared and kept strict time through the workshop)

Needs Improvement

“The appropriateness of the rating descriptions”– in reference to ‘urgency’ – still needs refinement.

Overall ratings

Overall ratings from Builder were also positive with questions on whether the methodology would be used again answered as (3) or (4) where (1) was ‘not confident’ and (5) was ‘very confident’.

Workshop Evaluations: Council 2 Workshops 1 and 2

Worked well

“Identifying significance to the project is important”

“Rating power, proximity, and urgency an interesting exercise in terms of quantifying. Interested to see how the ‘index’ works”.

“Having it partially complete as an early step” - Researcher filled out the spreadsheet with data from the comms plan sent from Council 2

“Legend good”

“Prioritising where communications attention is needed”

“Scoring interest and support as two items”

Needs Improving

Maybe some examples of “significance to project” and requires form project” as a guide”

“Subjective assessments and variations within groups eg Mall traders”– this refers to large groups of traders with diverse interests that have been treated as one stakeholder group.

“Breaking down stakeholder groups into a finer detail to reflect changes in power and perspective over the life phases of the project”.

Overall ratings

Overall ratings from Council 2 were also positive with questions on whether the methodology would be used again answered as (4) or (5) where (1) was ‘not confident’ and (5) was ‘very confident’

Researcher Evaluation

The organisations that participated in Iteration 2 were not novices in managing projects and understood the importance of managing stakeholders effectively. Council 2 and Builder managed construction projects and had developed process and checklists that they believed were adequate to manage their projects. Department 1’s Business Owner had participated in many projects, and provided experience and leadership to the project team.

In many ways the evaluations from these three organisations were most useful because of their previous experiences with managing stakeholders, both good and bad. Although they all had well developed processes, they admitted that managing stakeholders was not necessarily made easier because of that. As the evaluations from these workshops indicated, the methodology showed these organisations more effective and efficient ways to manage the *right* stakeholders. To be successful these organisations and project teams must be willing to use the information available to actually manage the expectations of the project stakeholders. The contribution that the *Stakeholder Circle*TM made in this iteration was to alert mature project organisations to the need to not only know who the key stakeholders were, but also to ensure the appropriate project team member made contact and that knowledge, experience and issues of these stakeholders were shared regularly at project meetings.

5.5.4 Revision of the plan

Initially there was only one organisation, Department 2, left to participate. Council 1 requested that the Stakeholder ID workshop for the accommodation/change management project be held to help develop an understanding of the key stakeholders were. ‘J’, the change manager of this new project, had been one of the participants of the first workshops for the ‘pilot’ iteration and understood the value of identifying and prioritising stakeholders. The cycle was repeated once again.

5.6 ‘Validation’ – third iteration

The ‘validation’ phase covers the period from September 2004 to November 2004 and was conducted with the participation of Department 2 and Council 1 – accommodation project.

5.6.1 Planning and implementing the defined action

The planning and implementation phase of this cycle consisted of data collection activities, and working with the participants in the two workshops: stakeholder identification and prioritisation, and key stakeholder engagement strategy and communication planning. The participants of the workshops in Iteration 3 expressed support for the planning activities of gathering as much data about the projects and populating the spreadsheets with as much data as possible. This activity was included in the procedures of the methodology to save time in conducting the workshops and to make this project planning activity less onerous.

Data Collection

Data were collected through project documentation, meetings with the project team and their sponsor. The participants and their senior management were prepared through briefing sessions about the content and expected outcomes of the workshops. In the case of the Council 1 accommodation project the base data was collected from Builder’s project documentation; as the project manager for the Town Hall Re-Development project of which the accommodation project was a related project, Builder had developed the project structure and schedules that were used as input to Council 1 accommodation workshop.

5.6.2 Monitoring the results and effects

The *Stakeholder Circle*TM that was developed for Department 2 was extraordinary, see Figure 8.7. Instead of the mix of colours and patterns displayed by the previous *Stakeholder Circle*TM, this one was almost all orange – ‘managing upwards’. When I discussed Department 2’s *Stakeholder Circle*TM with the workshop participants, they validated my assumptions that Department 2 was a very hierarchical organisation as was the Knowledge Net project organisation. It was this ‘serendipitous’ finding that caused me to look more closely at the other *Stakeholder Circles*TM, to see if there was any other significant data presented. These *Stakeholder Circles*TM will be the central aspect of analysis in the Chapter 9 on inter-case comparison.

Iteration 3 is summarised in Figure 5.4

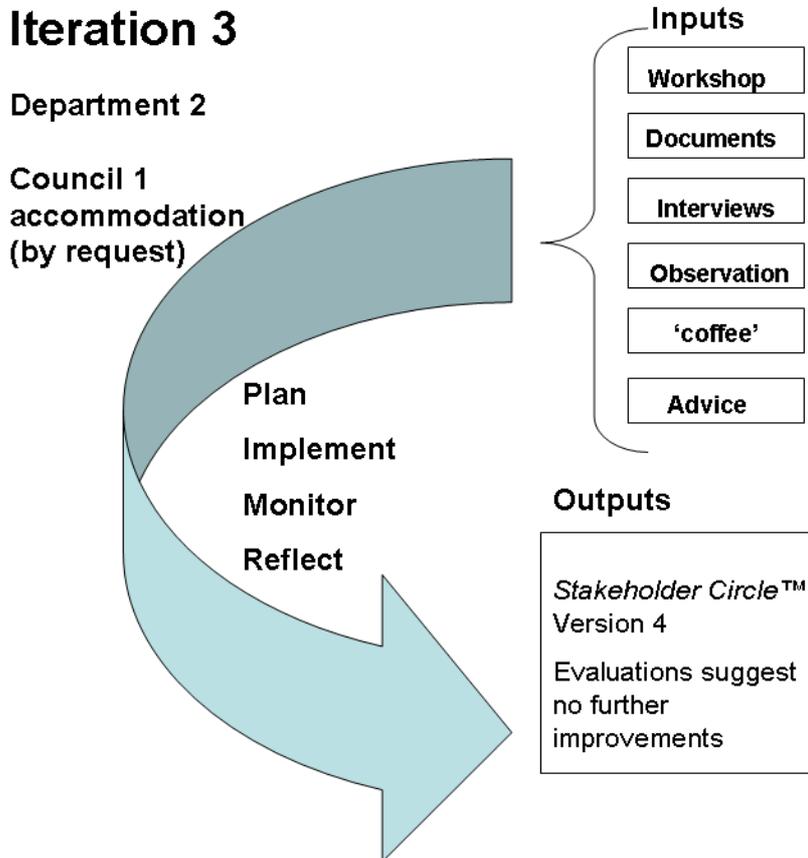


Figure 5.4 – Summary of Iteration 3

5.6.3 Reflection and evaluation

Workshop Evaluation: Department 2 Workshop 1

Worked Well

- “Process easy to follow, easily understood”
- “Preparation – predefined Stakeholder ID saved time”
- “Facilitator’s knowledge of project/program”
- “Involved the right people”
- “Pre-preparation saved time” “Preparation completed earlier”
- “A well informed group”
- “Rating individuals V groups”

Workshop Evaluation: Department 2 Workshop 2

Worked well

“Preparation”

“Description of SC” (I had shown the group the results of workshop 1 and explained what I had inferred from this)

“Discussion forum of process”

“Structured approach”

“Right attendees”

“Identifying what measure we actually had in place”

Overall Rating: Department 2

Overall ratings from Department 2 were positive, the evaluation questions on whether the methodology would be used again were answered as (4) or (5) where (1) was ‘not confident’ and (5) was ‘very confident’.

Workshop Evaluation: Council 1 accommodation

There was no evaluation done for this workshop; all participants had to leave for another meeting. They took the sheets, but did not return them, despite my repeated requests.

Researcher Evaluation

By the end of Workshop 2 for Department 2, I was satisfied that the methodology and visualisation tool had been refined to the extent that project teams could easily and readily use the methodology and tool to identify, prioritise and engage key project stakeholders. The evaluation from the Department 2 participants supported that view. They had no suggestions for further improvement and found their learnings, the procedures and supporting software were very useful for stakeholder management within their organisation and projects.

What emerged from the work with these five organisations was a robust methodology supported by a visualisation tool that allowed each project team to see and display the unique stakeholder community for that project at that particular phase in the project lifecycle. From the organisations’ perspectives, those staff who participated in the workshops developed knowledge about relationship management that could be applied to many aspects of their work. After the first workshop had been completed with each of the projects, I built that project’s *Stakeholder Circle*[™] for discussion before workshop 2 activities commenced. This discussion allowed the participants to modify their assessments if there were discrepancies between their expert views and the stakeholder community that resulted from their

assessments of each stakeholder's *power, proximity and urgency*. These concepts and their definitions were described in detail in Chapter 3 and shown in Appendix 3.4.

Some interesting insights emerged during discussions about how to display the project's *Stakeholder Circle*TM. I had suggested that it be displayed in a central project area, indicating who the team considered to be key stakeholders, and who was not considered a key stakeholder. Only Council 1 was interested in publicising the project's stakeholder community in this way: the sponsor was prepared to place it just outside his office, while the project manager was reluctant to do more than hang it in her office. I will discuss these issues further in Chapter 6 in the case study.

5.7 The effectiveness of the Stakeholder CircleTM

The preceding sections of this chapter addressed research objective 4: *to test and refine the Stakeholder CircleTM methodology and tool*. This section addresses measurement of the effectiveness of the tool and its effectiveness in both business and construction projects.

The process and procedures to identify all the project's stakeholders and then prioritise them, supported by the software and the processes for developing an engagement strategy for these key stakeholders will support understanding of how to ensure that the expectations and perceptions of the stakeholders are understood and managed. The focus on effectiveness of the methodology will be in the following areas: the features that differentiate this methodology from the others, and additional benefits for the project team from the use of this methodology.

Additional features

- The concept of stakeholders in four 'directions of influence': upwards, downwards, outwards, sideways;
- The insight that not all stakeholders are equal: it is not possible to give all stakeholders equal attention;
- The concept of 'mutuality' – the reciprocal understanding of how the stakeholder; benefits from project success and how the stakeholder contributes to project success
- A means of assessing the relative importance of each stakeholders, based on power, proximity and urgency⁹;

⁹ These concepts are defined in Chapter 3

- The concept of dynamism of the stakeholder community: the prioritisation cycle must be repeated for each phase in the project’s lifecycle and when the organisation changes, and therefore the relative power and influence of potential stakeholders;
- The analogy to Risk Management; the need for regular monitoring and reporting against the engagement plan.

Additional benefits to the project team

In addition to the benefits of the additional features of the methodology, the project team benefits both as a team and individually, sharing knowledge about each of the stakeholders and negotiation to agree on relativities of each stakeholder. The project will benefit from a multi-perspective view of the stakeholder community. Individually the team members will benefit from the learning experience of involvement with this exercise; they will be exposed to new ways of understanding relationship management, and will learn about the characteristics, leadership and management styles, and expectations of the project’s key stakeholders.

5.7.1 Effectiveness of the methodology

To assess the effectiveness of the methodology, I asked each participant to evaluate the methodology at the end of each workshop: the identification and prioritisation workshop – Workshop 1; and the engagement strategy workshop - Workshop 2. The summarised evaluation sheets are attached at Appendix 5.7.

The questions sought a rating of the importance of stakeholder management (or engagement) to the individual’s role and to the organisation. The last two questions ask for a rating on the participant’s confidence in being able to identify, prioritise and engage stakeholders using the methodology – question 4; and the likelihood of the individual or the group using the methodology again – question 5. Eighteen individuals participated in the prioritisation workshop; of the fifteen who responded to question 4, 5 respondents were ‘very confident’ (rating 5) and ten were ‘confident’ (rating 4). This is shown in Figure 5.5.

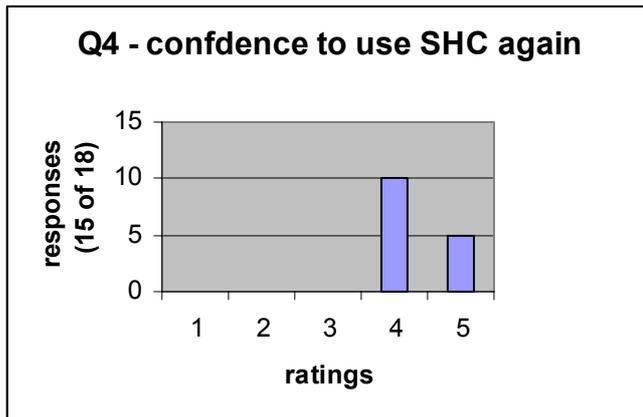


Figure 5.5 - Responses to Q4 - confidence to use the SHC again

For question 5, five respondents rated using the methodology again ‘very likely’ (rating 5), eight responded at ‘likely’ (rating 4) and two responded at ‘unlikely’ (rating 3). The two team members who responded as ‘unlikely’ about using the methodology again were both junior members of their respective projects.

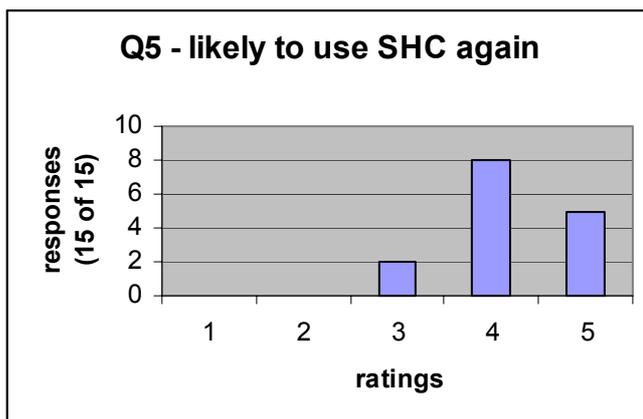


Figure 5.6 - Responses to Q 5 - likelihood to use SHC again

Comments were invited on ‘What worked well?’ After the first workshop most common responses were:

“Process easy to follow, easily understood”
 “Ability to use this method to systematically identify stakeholders”
 “Identification of scope, breadth and depth of project and relationship to organisation”

After the second workshop, the responses were:

“Identifying the needs of specific groups to the project and how to communicate this”
 “Systematic method of approach”
 “Open discussions, brutal honesty”

Comments offered in answer to the question ‘What needs improving?’ were:

Finer detail needed for some large groups of stakeholders.
Teams using this methodology may need support

There were comments in the earlier workshops about a need for improvement of definitions; these were addressed before the last iteration of workshops and appeared to be satisfactory – there were no further comments seeking clarity of definition.

5.7.2 Effectiveness of the supporting software

The methodology was supported by a set of three Excel worksheets, capable of gathering both words and numerical data¹⁰. The first sheet listed the stakeholders, their roles and the ‘mutuality’ between each stakeholder and the project as well as the ‘direction of influence’ (Bourne and Walker, 2003) of the stakeholders. The second sheet supported the assessment of each stakeholder on their *power*, *proximity* and *urgency*, having carried forward the data necessary for the assessment process. This second spreadsheet allows the team to enter the appropriate rating (number) and then performs calculations to produce an ‘index’ for each stakeholder; the inbuilt ‘sort’ function then produces the list of prioritised stakeholders as judged by the project team.

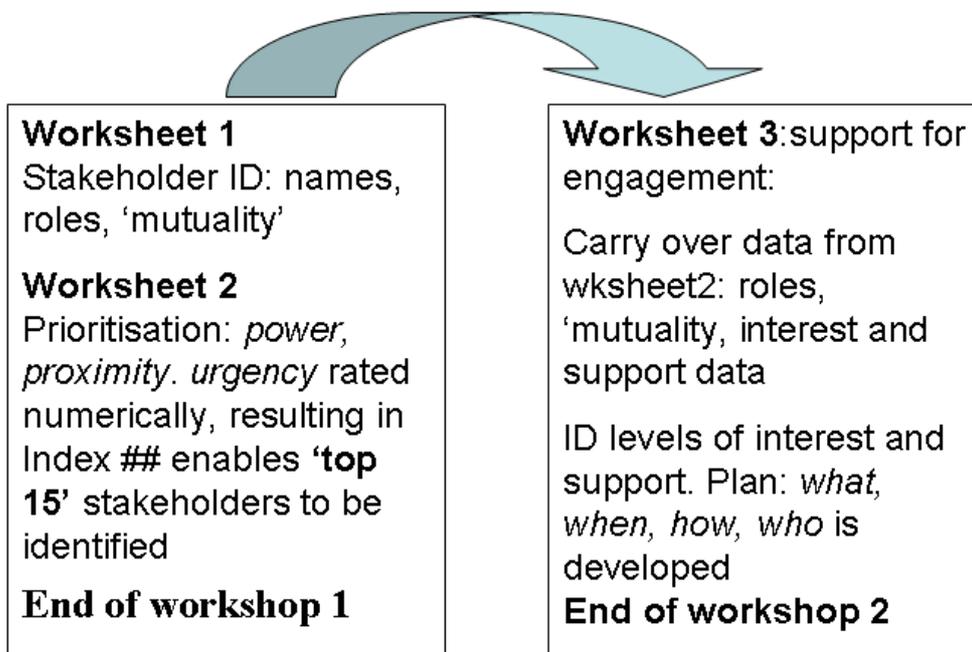


Figure 5.7 - SHC software support

¹⁰ Sample data is attached in Appendices F and G

The third sheet exhibits the necessary data for developing the engagement strategy. Figure 5.7 shows the software support.

There were two types of reaction to the software supporting the methodology and the processes outlined in Figure 5.7. The first reaction was that it would have been “*very difficult*”¹¹ to develop the prioritised lists without the software support. At the other extreme, many of the participants of the workshop expressed reluctance to operate the software themselves, because of previous “*clashes*” with Excel. The use of Excel spreadsheets is a temporary measure; the next step towards commercialisation of the *Stakeholder Circle*TM will be to transfer the data and the application to a database.

5.7.3 Effectiveness of tool for prioritisation and engagement

The unique *Stakeholder Circle*TM for each project was developed from the data collected during Workshop 1; the prioritised list of key stakeholders names, their ‘index’ value from the *power*, *proximity* and *urgency* ratings and their ‘direction of influence’ form the data needed to develop the *Stakeholder Circle*TM for the project. Before commencing the activities to develop the engagement strategy, I explained the *Stakeholder Circle*TM and the project’s stakeholder community as judged by the project team.

Originally the *Stakeholder Circle*TM visualisation tool was intended to be a useful adjunct to the efforts of prioritisation of the stakeholder community. I suggested that the completed *Stakeholder Circle*TM could be placed on the wall in a prominent place near where the project team worked. My intention was that it would support the project team from the perspective of ‘advising and advertising’ – showing who the key stakeholders were, as well as who were not, considered to be key stakeholders.

The response was mixed. At Council 1, the sponsor and ‘J’ – the change manager of the staff accommodation project – placed the *Stakeholder Circles*TM for the Asset Management System and the staff accommodation project just outside their offices. This did generate a great deal of discussion. The project manager of the Asset Management System however, declined to exhibit it near her office: “*It will cause problems if some of the stakeholders ask why they are there.*” She was referring to an individual who had been assessed as a key stakeholder because of his potential to disrupt the implementation. As a conservative, traditional ‘old

¹¹ ‘J’ from Council 1, a manager of the IT group made this statement at the end of workshop 1 of the Asset Management System

hand’ who had been moved sideways when the new Asset Planning Manager (also the project manager of the Asset Management System) joined Council 1, he had been resisting all attempts to enlist his co-operation on this project. The project manager believed that his appearance on the *Stakeholder Circle*TM for that project would exacerbate an already delicate situation.¹²

None of the other project managers was attracted by the idea of displaying the *Stakeholder Circle*TM of their project. However, Council 2, Department 1 and Department 2 were keen to have me present the findings from their project to their governance groups. I did eventually present to all the organisations that participated except for Builder, who saw “*no value in the tool*” for his organisation. Department 2, whose chief advocate for the methodology and tool left the organisation with no replacement ‘champion’ for the *Stakeholder Circle*TM, declined to be further involved after the two workshops.

In summary the greatest perceived value for the participant project teams and their management was in the ability to develop a prioritised list of the stakeholders for the projects. The project team and their management greeted the *Stakeholder Circle*TM with polite interest, but the teams were reluctant to advertise their stakeholder community without overt senior management support for the *Stakeholder Circle*TM, and organisation-wide changes to how stakeholders were to be identified and managed.

5.7.4 Effectiveness – business and construction projects

Of the six projects that participated, two were construction projects, three were IT, and one was a staff accommodation change project. The two construction projects and one IT project – eDocRec, had reasonably well-defined procedures for identifying stakeholders and communicating with them. The procedures all consisted of lists of groups and individuals with a template of messages and frequency of communication; the construction projects concentrated on external stakeholders – for the Town Hall it was primarily the architect and specialist consultants as well as the client project manager; for the City Mall the major focus was on City Mall traders, the transport provider, and authorities and utilities. For eDocRec the focus was on senior management and the users. In all cases the approach taken was sensible and in line with the most obvious stakeholders. In all cases, the prioritisation workshops added other stakeholders to the key group.

¹² Informal discussions with project manager

Despite my initial views of construction projects as having a better set of procedures than IT projects for managing stakeholders, interviews with both sponsors and project managers of the construction projects indicated that they believed that stakeholder management in their organisations was still unsatisfactory. The project director for City Mall Re-development had stated an intention to introduce “*better stakeholder management processes*”; he was interested in being part of my activities to continue to develop the *Stakeholder Circle*TM with a view to commercialisation of the product. Comments from the clients of the Town Hall Re-development project also indicated that “*there is room for improvement in management of our needs.*”

The evaluation forms completed by the workshop participants indicated that most of the participants judged the methodology for identification, prioritisation, and engagement of stakeholders supported by software, to be useful for stakeholder management and most of them would use it again. The results of the workshops provided the project teams with sufficient information to understand and manage the expectations and perceptions of their key stakeholders. However, this methodology is only one of many excellent tools that have been developed to identify and manage stakeholders within projects. That they have not been successful is indicated by the results of surveys such as the CHAOS¹³ report that regularly surveys organisations, and reports that while the percentage of failed projects and the costs of these failed projects are reducing, the situation is in great need of improvement. The first report stated that one of the major causes of project failure was poor management of key stakeholders (Standish Group 1994); the latest report has not changed this view of the major cause of project failure (Standish Group 2004).

5.8 Establishing Credibility

The process to validate and establish the credibility of the outcomes of the workshops, and the refinements to the methodology and tool was in three stages. The first stage was ensuring that the unique *Stakeholder Circle*TM developed for each project’s stakeholder community reflected the assessments carried out in the workshops, and that the suggestions for improvement had been incorporated. This was done through a final presentation to the workshop participants and their managers which outlined the findings of the research as well

¹³ CHAOS is a term used by the Standish Group; an annual CHAOS University is convened in various US cities to discuss current (and presumably attempt to resolve) project management issues

as discussions on the content and context of their *Stakeholder Circle*TM. These presentations were the last of the scheduled meetings with each organisation and allowed me to thank them for their assistance, to check my assumptions and as an additional opportunity to present information about relationship management to others in the organisations, and reinforce the learnings of the research participants. I was also interested in knowing how much of the methodology they had included in their project planning process, and also to encourage them to continue to use the methodology. Both Council 2 and Department 2 expressed interest in working with me to develop the tool further for use in their organisations; we had agreed that this would be a task for the new 2005/06 financial year. Department 1 had incorporated many of the aspects of the engagement strategy into their communications planning process and documentation.

The second stage of validation was in presenting the methodology and tool, as well as findings from the research, to project management conferences in Australia, London and Singapore. Papers defining the methodology and tool were also submitted to academic journals for publication. *Management Decisions* published one of these papers (Bourne and Walker 2005b), a second has been submitted to *Project Management Journal* (Bourne and Walker 2005c). The comments of the reviewers for the journals and the comments of the conference participants enabled the theory and practical application of the methodology to be further developed.

The third stage was personal reflection. Preparation of papers for submission to the journals and conferences caused me to further refine the presentation of the *Stakeholder Circle*TM. The previous version had three colours – orange for management, blue for stakeholders outside the project (contractors, end users, government) and green for the project manager's peers and the project team. On reflection, I decided that the visualisation tool would be more effective with four colours. A fourth colour purple was added to represent the project manager's peers, leaving green to represent the project team solely. Version 6 of the *Stakeholder Circle*TM is attached in Appendix 5. 2. The data collected during the iterations were reconfigured to a 64-segment *Circle* (from the 32-segment Version 5) to facilitate better visualisation of the relative influence or importance of the key stakeholders. Planned variation of the sequence of stakeholders within the *Circle* will be trialled in two patterns: the first is a 'spiral' effect of the sequence of most important key stakeholders; #1 to #15 key stakeholder; it is presented in this dissertation as Version 6. The second pattern presents the top fifteen in blocks of 'influence',

with all the ‘upwards: orange’ stakeholders together and all ‘sideways: purple’ together, and so on. This next version will be developed towards the end of the 2005 calendar year, and not included in this dissertation. Both presentation styles were suggested by individuals who attended the final presentations of the research findings, and whose organisations expressed interest in using the commercial version of the methodology and tool.

A possible fourth stage is consideration of the commercial possibilities of the *Stakeholder Circle*TM. Two organisations, one in the UK and another in South Africa have expressed interest in forming a partnership to further develop it. Processes to enhance the methodology and tool for commercialisation will be additional validation, as will commercial success.

5.9 Summary of the Chapter

This section has focussed on the technique of iterative refinement of the methodology using the strategy of *plan, implement, monitor, and reflect/evaluate* to further develop the *Stakeholder Circle*TM methodology and visualisation tool. Through looking at the data gathered from the workshops, interviews, documentation, meetings - both formal and informal, and observations of the researcher and the participants, the research has fallen into three iterations. The first iteration took on the form of a ‘pilot’ where a prototype was improved in both effectiveness and style for a second iteration to further improve and refine. The third iteration verified the outcomes and tested them for validity, plausibility, and credibility. There was some overlap in the period of each of the iterations, but from the perspective of the research, each iteration should be considered to be based on the work with organisations rather than time periods.

The iterations and the work within them were driven by the increasing improvements to the methodology and the maturity of the organisations I was working with. It was accidental that the ‘pilot’ phase where the methodology was quite immature was conducted with Council 1 team members, who were novices in the project management arena. They learned as much from me about project planning as I did from them for my research. For the second iteration the three organisations were relatively mature from a project management perspective, but admitted that they needed to focus more on managing relationships within projects. While their input was useful for my research, only Department 1 recognised the value of the methodology to the extent that it has improved a number of aspects of stakeholder identification and communications management based on the methodology. Department 2 in

the ‘validation’ iteration were pleased to have a tool to help them identify their project stakeholders and expressed interest in using it again. All participants in this iteration increased their competency in relationship management as a result of their participation.

By looking at evaluation data collected during the product development workshops it is possible to conclude that the participants agreed that the *Stakeholder Circle*TM did have potential to help them identify and prioritise their project’s stakeholder effectively and that they would use the methodology and tool again. Some of the participant organisations are interested in having discussions about further use of the tool later this year.

The data from the evaluation was used to identify the usefulness of the methodology; there was discussion about the supporting software and the visualisation tool itself which was spectacular and eye-catching. The changes made to the procedures of three of the five organisations as a result of working with the methodology indicated that it could have use in the wider project management community. The evaluations from the participants of the workshops provided additional validation that the methodology and the visualisation tool could be useful for supporting project team members identify their stakeholder community, prioritise them using a simple technique and then develop a dynamic engagement strategy to ensure that the ‘right’ stakeholders were being managed throughout the life of the project.

The next three chapters present the case study descriptions of the participant organisations, ordered in the same way as the iterations of methodology refinement: The Asset Management System case study is presented in Chapter 6, eDocRec, Town Hall re-development and City Mall Re-development case studies in Chapter 7 and Knowledge Net and Town Hall accommodation case studies in Chapter 8.

Chapter 6

Project of iteration 1 – ‘pilot’ stage

The Asset Management System Case

This chapter and the following Chapters 7 and 8, summarise qualitative data gathered from research within six projects in five Australian organisations to address research question 4: *How willing and capable are the project manager and project team to use the Stakeholder Circle™ methodology and visualisation tool to engage with their key stakeholders?*

The project is the unit of analysis, but the major focus of the study is on the relationships between the project team and the project’s key stakeholders. The data collected and summarised in the cases described in Chapters 6, 7 and 8 are focussed not only on project relationships, but also on the willingness and capability of the project team members to understand and manage the expectations of key project stakeholders. This chapter will describe a business IT project, the Asset Management System. This project was the first project to participate in the development of the *Stakeholder Circle™* methodology and visualisation tool. The description of the product refinement cycle was in Chapter 5; this project was the only project in the first, ‘pilot’, iteration of the cycle.

6.1 Introduction

The main objective of Chapters 6, 7 and 8 is to validate the research objectives as defined in Chapter 3: measuring the effectiveness of the *Stakeholder Circle™* methodology and visualisation tool, and examining the willingness and capability of the participant project teams to use the methodology. The chapter starts with a summary of the case study, followed by summarised details of qualitative data obtained. Over Chapters 6, 7 and 8, case descriptions are organised in a consistent pattern: the structure of the organisation; details of the researcher’s early contacts with the organisation; its culture, and espoused values; a description of the project and its organisation; and how project relationships are managed within that organisation. Each case study will conclude with the reflections of the researcher and a summary of the case study. A summary of findings and conclusions drawn from all case studies and the inter-case analysis will be given in Chapter 9.

Part of the project description in the case studies will be their categorisation into project typologies. As discussed in Section 2.2 of this dissertation, the objective of categorising

projects by typology is to know how best to manage each type of project, using strategies tied to the features of the typology, and supporting decisions on appropriate leadership, relationship management, team selection and other project management strategies and skillsets. Three major typologies are discussed and applied to the six cases: the Project Typology Continuum defined by (Briner, et al., 1996), the Project Goals and Methods Matrix of (Turner and Cochrane, 1993) and the NCTP Framework (Shenhar and Dvir, 2004).

In each case study the projects were categorised, the theoretical selection of appropriate project management strategies discussed and the situation as observed and interpreted by the researcher compared. The benefit of these comparisons was an enhancement of the richness of the description of the case studies (Walsham, 1995) and the potential of these additional data to contribute to the inter-case analysis in Chapter 9.

6.2 Overview of Case Study

The Asset Management System of Council 1 is summarised in Table 6.1 below.

Table 6.1 - Summary of Case study for Chapter 6 – Asset Management System

Case	Type of Organisation	Project Organisation	Background of PM	Project Type
Council 1: Asset Management System	Local Government	Line Manager of Asset Group led design and vendor selection phase	No formal PM training; successful general management experience	<i>Occasional</i> tending towards <i>Open, High Visibility AND Type 2</i>

6.3 Case Study Description – Asset Management System

Council 1 is a local Government body serving an inner city constituency, with a very diverse set of residents and ratepayers, from wealthy professionals to single parents and the unemployed; from long-term residents to transients. Through amalgamations over the previous decades, one single entity, Council 1, was formed from three town councils. Some staff had worked their entire lives at Council 1 in its various forms. Many of the staff who had joined Council 1 more recently had come from other councils.

The following is an extract from Council 1’s web-site:

“One of the oldest areas of European settlement in Australia, known for its many dynamic urban villages, a foreshore which stretches for over 11km, cultural diversity, magnificent heritage buildings, artistic expressions and beautiful parks and gardens.

[Council 1] is well served by a number of varied and substantial retail, entertainment and leisure precincts, and a number of significant employment areas”.

And from the newsletter:

“[Council1] leads the way as the first council in Australia to embrace the concept of cultural vitality as the fourth element in sustainable planning and development.”¹

6.3.1 Making contact and gaining access

I first made contact with Council 1 in April 2004 through a friend who worked at the Council. He circulated my request to the management team, but also gave me the contact details of his manager to make contact personally. Six weeks later, I was invited to present the research brief at the monthly management team of the Director of Urban Services. The Director told me later that he was interested in the research because of its strong connection to relationship management, and that this was an aspect of the cultural change program that he was keen to reinforce within Council 1.

The project manager of the Asset Management System agreed to participate in the research. The Director, Urban Services also persuaded the Managing Director (MD) of Builder to agree to the participation of the Town Hall Re-development project, a construction project being managed by Builder on behalf of Council 1.²

6.3.2 Structure of the PM’s Organisation

The formal, five-layered traditional hierarchical structure is headed by the Chief Executive Officer (CEO) reporting directly to the Councillors – the elected representatives of the ratepayers and residents of Council 1. The relevant parts of the organisational structure for Council 1 are shown in Figure 6.1

The informal structure is defined by the *web culture*, the product of an ongoing change program begun two years before this research that focuses on getting things done informally. This culture change and ensuing culture will be described in detail in the next section.

¹ *Diversity*, May 2004, p18

² The Builder case study is described in Chapter 7

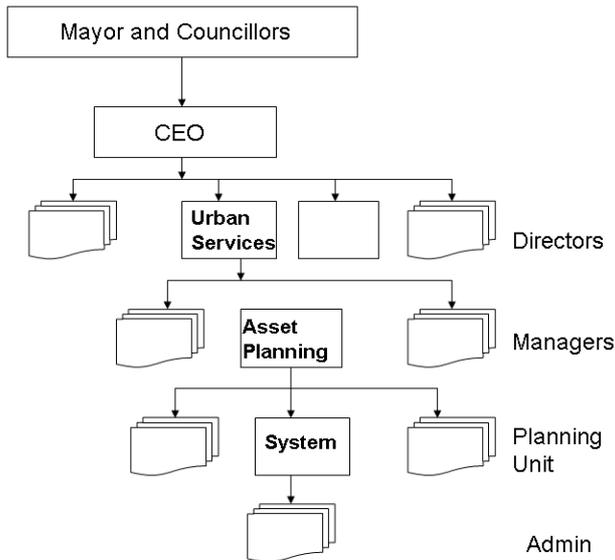


Figure 6.1 - Organisation structure for Council 1

6.3.3 Values and Culture

This organisation had been undergoing a culture change program over two years prior to the research. The objective of this ongoing change program was to develop an organisation characterised by open communication, mutual trust, respect, and recognition. The Director sponsoring the project described the culture change in the following way:

“It started two years ago and took a while to understand its use and purpose in this organisation. We are trying to change culture. It takes time to filter through. There has been some resistance and denial, but we are generally heading in the right direction. It is based on the context of where you think you are and where others think you are.”

This culture change and the organisation so developed were based on the work of (Wheatley 1999) who uses principles of chaos theory to provide a template for different organisational behaviours and different organisations based on an emphasis on values, vision and ethics. She proposes change events involving the whole system - all parts of the organisation and external stakeholders, thus creating a sense of ownership and personal connection not only to the results of the coming together, but to the organisation itself. The objective is the development of a culture where trust and co-operation have replaced competition and control. As the Director said:

“It is better than the old military style. The nub of what is trying to be achieved is about developing relationships. ”

The concept of the *web culture* results from that change program and is described through a set of *web behaviours*. This list of desired behaviours is displayed prominently in all internal office areas of Council 1.

“Many Australian organisations now recognise that quality relationships – relationships that are built on mutual trust, respect, self worth and recognition, make the difference between average workplaces and excellent workplaces.

[Council 1] is developing the concept of web behaviours in its people. There are eight web behaviours:

- *Ruthlessly seek to understand through the use of dialogue*
- *Understand that paradox occurs every day in every situation*
- *Is comfortable operating with and discussing the uncomfortable*
- *Expects that the unpredictable will occur*
- *Focuses on the outcomes/destination, realising that the journey, and sometimes the ultimate destination, may change at times*
- *The ability to build and manage strong relationships is what creates real success*
- *Shares in each others successes and failures*

The skills and attributes that our people need to flourish and thrive ... are confidence, adaptability, flexibility, energy and passion, resilience, a high level of personal insight, and most of all a sense of humour – if it is not fun, it probably won't work.”

Politics took on a number of forms in Council 1; the external politics due to fixed terms of the elected representatives and their needs to satisfy their constituencies; and the internal politics of competing demands for funding, resources, influence and power.

Physical arrangements give an indication of the culture of an organisation (Martin, 2002). The office accommodation at the main branch of Council 1 can only be described as aging and shabby. The building was about to undergo a major refurbishment as part of the re-development of the Town Hall which houses staff both administrative and professional and enquiry functions, Council chambers and areas for public use. This project - Town Hall Re-development staff accommodation is the subject of another case study to be described in Chapter 8.

Office accommodation was open plan, with offices for Directors (reporting to the CEO) and the next layer of management. Meetings rooms were scarce, but examples of the Council's valuable art collection are displayed in the staff accommodation, both on the walls of offices and in the general areas.

The staff members that participated in the research and the Director who was involved in all three projects were friendly, supportive of each other, and very generous with their time. The first iteration of workshops for the *Stakeholder Circle*TM development was conducted with the Asset Management System project team in Council 1. Because it was the first time through the whole cycle, the methodology and the tool were both in need of improvement to make more effective and usable. The process of these workshops is defined in another part of this dissertation.³

6.4 Project Description

The Asset Management System was approved to assist Council 1 in complying with Government requirements and to ensure greater efficiency in managing Council 1's assets. These assets included roads, curbing, buildings, signage, street furniture and drains. In the project documentation, the project was described as:

“a sustainable asset management system, which will form the corporate hub of an integrated system linking various asset management and geographical information systems currently in operation at disparate locations within the city.”

Council 1 had determined to use a package designed for managing assets and infrastructure. The successful vendor had worked with other Australian local government organisations to implement similar solutions. They had demonstrated to the project team that they were experienced in the local government environment both in customising the package to suit local government needs and in supporting their implementation efforts.

6.4.1 Project Type

Using the Project Typology Continuum ((Briner, et al., 1996), this project is classified as 'Occasional tending towards Open', with relatively clear definition of outputs, but a low level of structure and formality, and a low level of project 'knowhow'.⁴ Council 1 was relying on

³ See Chapter 5

⁴ Project models are described in Chapter 2

staff from the vendor to provide project management support of staff's implementation efforts. The project was expected to deliver considerable change to the way Council 1 managed assets. It had a reasonable level of support from Council management and staff and was required by the regulator; this put the project in the middle of the continuum closer to High Visibility, although the project does not meet the other attributes of high risk (Briner, et al., 1996). To achieve success in this type of project, the (part-time) project manager had to take a flexible approach with the other (also part-time) project team members, and must be willing to continually create the objectives and environment. This was the approach being taken for this project.

Using the Goals and Methods Matrix Model ((Turner and Cochrane, 1993), the project would be described as Type 2; with goals/functionality well-defined and methods poorly-defined. In this model, Type 2 projects cannot be planned in advance in detail below milestone planning level. In the case of the Asset Management System, the planning had been done to define distinct implementation stages in terms of asset types, with focus on milestones as they were approaching.

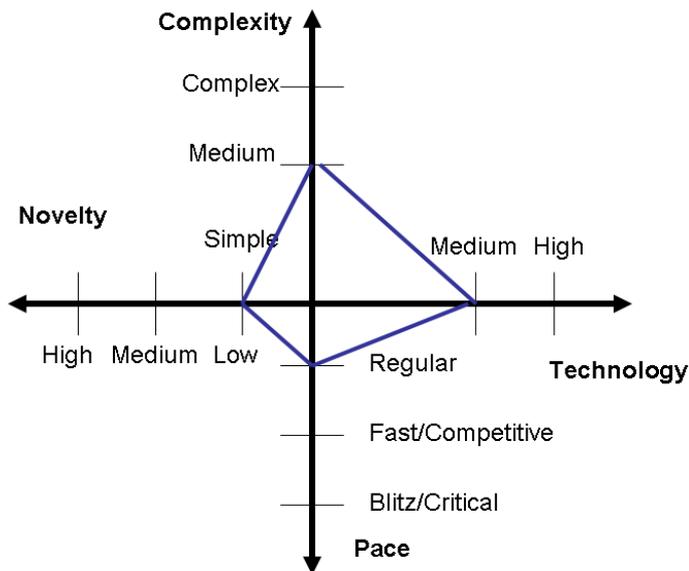


Figure 6.2 - NCTP Framework for Asset Management System

Using the NCTP Framework (Shenhar and Dvir, 2004), based on the four dimensions of novelty, complexity, technology, and pace, the project can be categorised as low novelty, medium technological uncertainty, regular pace, and medium complexity. The project is defined in figure 6.2. For this type of project the project manager requires some management skills and some administrative skills, the ability to develop and manage complex

documentation, with requirements for frequent communication and informal interactions, and formal control on schedules and budgets. The recommended PM style fits with my assessment of the project manager's role in this project.

6.4.2 Objectives and Drivers

There had previously been no system in place for integrated management of Council 1's assets. These assets included parks and trees, buildings, drains, roads, facilities such as pools and other sporting venues. Many independent systems had been developed for management and reporting on the different asset classes, but these individual systems were not accepted by Council 1 management as being accurate enough or appropriate for the requirements of regional government regulations. The PM stated: *“There has never been clear ownership of ‘who must update the data’. Realignment of responsibilities and other processes to be developed as part of the system implementation will remedy this situation.”*

6.4.3 Lifecycle

The phase of the project covered by this research was the selection of a software solutions vendor through Council 1's complex tender process, and working with this vendor to deliver the planning phase. This phase included requirements to develop and maintain project schedules and implementation plans. Funding had been approved, but the selection process took much longer than expected. The original, aggressive plan for implementation included having a significant part of the solution delivered within six months of my involvement. The organisation did not have many in-house project management skills and significantly underestimated the effort involved in gathering requirements, developing databases and processes as well as integrating a number of existing management systems.

6.4.4 Levels of Support

Management of Council 1 had high expectations of the Asset Management System; many managers had some level of accountability for areas of asset management that would be improved through successful implementation of the system. Many of the 'old guard' were not supportive of changes such as this one. An integrated system would reduce their control of both assets and information, and force their groups to change operational procedures and management processes.

6.5 Project Organisation

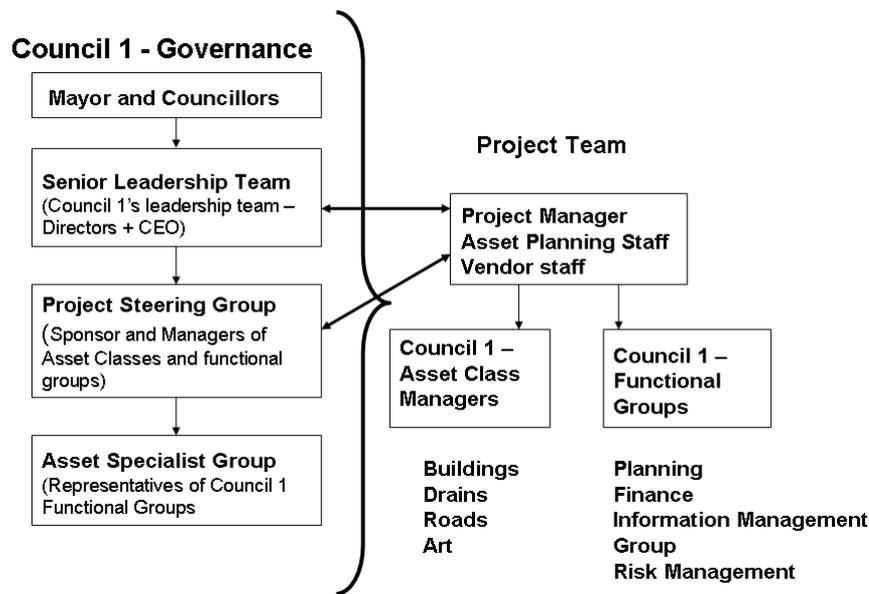


Figure 6.3 - Project organisation for Asset Management System

The project organisation describes the extended project team, consisting of the project manager, the project team, contractors, and users, and including the governance arrangements. It is shown in Figure 6.3.

6.5.1 Project manager

The project manager of the Asset Management System was an experienced line manager, responsible within Council 1 for asset management, parks and gardens, urban design and Capital Works planning. She had resisted the title ‘project manager’; describing her role at meetings that I attended as ‘facilitator’, “*but hands on with this role*”. The project team would have to rely on the willingness and capability of the successful tenderer to take the lead in the PM activities.

She had not been involved with IT projects in her previous roles, and had no formal project management experience or training. However, she had managed high profile local government projects in previous management positions. From her description of these events, it was clear that she was aware of the need to plan, consult, and engage important stakeholders to ensure project success.

6.5.2 Project team

The project team consisted of two staff members of the PM's Asset Planning Group; both had engineering degrees, one was highly experienced, the other in his first role post-degree. The project manager had high expectations of the level of support and involvement of the vendor of the software package that was to be used for this solution.

The project team was involved in the identification, prioritisation and engagement management processes developed to support the *Stakeholder Circle™* methodology and visualisation tool. They were politically astute and were able to grasp the requirements of the tool quickly.

6.5.3 Sponsor

The Sponsor for the project was the Director, Urban Services who had accountability for the Asset Management Group. This sponsor embraced his role enthusiastically ensuring roadblocks to project success were removed and was very supportive of both the project and the project manager. He played an active role in this project; the project manager communicated daily on issues and other aspects of her role, and regularly sought his advice on matters of politics within the organisation.

The project manager described her expectations of the sponsor role as providing:
“assistance to advocate for budget, manage higher level of Council 1 regarding their expectations of the project; to move barriers.”

The sponsor described his Council 1 role, and his role on the project as:
“leadership and direction, providing context for the organisation through links between service delivery and the political side of the organisation. Most of the job is about networking”

6.6 Relationship Management

The Stakeholders identified by the project team through the methodology are shown in the Stakeholder Circle™ below.

6.6.1 Stakeholder Circle™ for the project

Asset Management Project

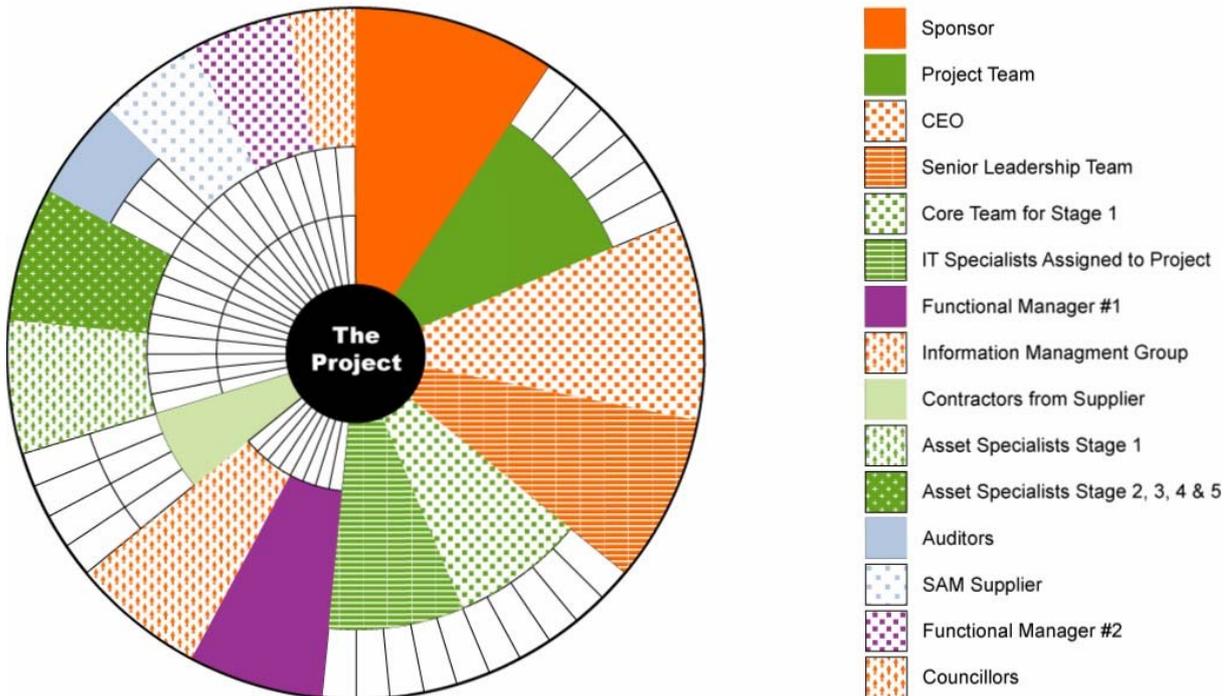


Figure 6.4 - Stakeholder Circle for Council 1

The relationships pictured in Figure 6.4 above are summarised in Table 6.2, showing priority number, the ‘direction of influence’ of each stakeholder of group and the nature of the relationship with the project.

Table 6.2- Summary of key relationships for Asset Management System

Priority	Key Stakeholder	Direction of Influence	Role in Project Organisation
1	Sponsor	Upwards – power to ‘kill’ the project	Responsible for advocacy for the project and continued allocation of funding
2	Project Team members (staff)	Downward	Responsible for work to deliver project success
3	Chief Executive Officer	Upwards – power to ‘kill’ the project	Manages Council 1 on behalf of Council
4	Senior Leadership Team	Upwards – power to ‘kill’ the project	Responsible to CEO and Councillors

Priority	Key Stakeholder	Direction of Influence	Role in Project Organisation
5	Core Team for Stage 1 (includes asset class managers and specialists)	Downwards	Lead implementation in stage 1
6	IT specialists	Downwards	Dedicated back office support and specialist knowledge as required
7	Functional Manager, IT	Sideways	Appropriate allocation of specialist resources
8	Information Management Group	Upwards	Supplier of IT specialists
9	Specialist staff from vendor	Downwards	Responsible for work to deliver project success
10	Members of groups affected by Stage 1 implementation	Downwards	‘Champions’ for implementation of Stage 1. Provision of appropriate specialist skills as required
11	Members of groups affected by Stages 2,3,4,5 of implementation	Downwards	‘Champions’ for implementation of Stages 2,3,4,5. Provision of appropriate specialist skills as required
12	Auditors	Outwards	Accurate reporting on assets to prevent pre-emptive action
13	Vendors	Outwards	Suppliers of package and expertise
14	Director, Finance	Upwards	Provision of financial resources; support at Senior Leadership Team (SLT) level
15	Project Steering Group	Sideways	Representing project issues at SLT, removal of ‘roadblocks’

The top fifteen stakeholders identified and prioritised through the methodology are listed in Table 6.2, in order of priority with their ‘direction of influence’.

In this *Stakeholder Circle*TM the instances of ‘team’ are the greater than the instances of ‘manager’ (6 ‘team’ and 5 ‘manager’), while instances of managing outwards or sideways (contractors or peers) is quite low – two for peers and two for outwards. Only three managers have the power to ‘kill’ the project, the Sponsor, the CEO and the Senior Leadership Team have equal power and influence.

6.6.2 Managing stakeholders

One of the main requirements of the system once fully implemented was to provide support for “*lifecycle asset management business processes of:*

- *Strategic planning*
- *Asset maintenance/renewal and works program*
- *Monitoring condition and performance of assets*
- *Predictive modelling*
- *Risk management*
- *Capital works management*

The data thus collected must be stored once, irrespective of the number of times it is used.”

This statement indicated the wide sweep of stakeholders of the system within Council 1. Almost every section of the Council would be impacted by the completed solution from managers of the asset classes, to planners and the finance areas, and the IT group.

The project team was conscious of the need to ensure that the project stakeholders were identified and engaged, in particular those who were essential in the decision-making process of implementation. They found the workshop exercise of identifying key stakeholders and then developing an engagement strategy for all stakeholders met their needs.

6.6.3 Communication

Through the influence of the culture change program, the recognition of matrix structures, flexibility and open communication were constant themes in my discussions with the five research participants.

The project manager understood the need to develop strong, regular and effective communications plans and to use the influence of others (either peers or managers) when she felt she was unable to influence individuals herself. The team needed help to develop the key messages of the communication plan, this was the subject of the second part of the second workshop; the first part was verification of the outcomes of the stakeholder identification and prioritisation as presented by the *Stakeholder Circle*TM. The project team was very keen to map out a strategy which covers the ‘how’, ‘what’, ‘when’ and ‘who’ of communication to these prioritised stakeholders as well as all others identified in the process.

6.6.4 Project success

The project manager’s mature view of project success resulted from her previous experiences of managing within other local government organisations. *“Previous successful projects had a balanced outcome for key stakeholders from a social point of view. Many lessons on managing stakeholders were learned the hard way. What is important is flexibility, managing expectations of stakeholders, and in dealings with the community, knowing who is important. It is not possible to satisfy all stakeholders. Make changes as part of negotiations.”*

The sponsor also had significant experience managing in local government; he was committed to continual development both personally and for his staff. His view reflected this attitude:

“Success can sometimes mean they are finished. For an engineer, it is about the process of moving from the idea to functional and built and users are happy with it. From an engineering view it is the process, from the management view it is the thrill of getting it done.”

6.6.5 ‘Politics’

The project manager once again was able to speak from her previous experience managing in local government:

“Local government gives a sharp learning curve into the political arena. Inwards politics are more difficult than outward politics”

The sponsor’s very balanced view was a result of his experience and education, and acceptance of the philosophy of the *web culture* being implemented in Council 1:

“It’s about relationships, knowing when to go and when to stop, knowing what to give up for what, what you are prepared to give up. With peers, we now meet as a group to provide encouragement for a more collaborative environment. The new situation requires a lot of trust.”

6.7 Researcher Reflection

Except for the long delay between first contact and the start of the actual workshops in September 2004, I found gaining access to Council 1’s people and documentation easiest of all the organisations that I approached. I spent most time with Council 1. They were the first organisation that agreed to participate in the research; and because I was asked to facilitate a *Stakeholder Circle*TM workshop with the project team for staff accommodation on the Town Hall Re-development project, they were the last organisation to participate in the methodology and tool refinement process. I was in contact with Council 1 for nearly twelve months, and have much more data about Council 1 than any other organisation.

Working with these five project team members from Council 1 was an enjoyable experience. They were interested in developing a better way to understand relationship management. The Director said that that was something that they recognised they needed to do better in the change program. The individuals were smart, but co-operative and not afraid to speak out if they did not understand, or did not agree. The project manager had an ‘inclusive’ management style; she widened the concept of team to include those people, ‘asset

specialists’ whose ‘buy-in’ was essential for successful implementation, and included managers of those teams in her ‘core team’.

6.8 Summary

This chapter described data collected from Council 1 using the data collection methods of interview, formal and informal meetings, documentation, observation of the project implementation meetings. An additional source of data was my observations from the workshops conducted to develop and refine the *Stakeholder Circle*TM methodology and tool and comments provided by the team through the evaluation sheets. The case study description of this single project within the Council 1 organisation was the sole subject of this chapter because of the pattern of the development and refinement of the methodology and tool.⁵

The next chapter will consist of case study descriptions of three projects covered by iteration 2: the Town Hall Re-development project managed by Builder for Council 1, City Mall Re-development project for Council 2 and the eDocRec IT project for Department 1.

⁵ The methodology for developing and refining the methodology and tool are described in Chapter 5

Chapter 7

Projects of Iteration 2 – Continuous Improvement

The Town Hall Re-development Case

The City Mall Re-development Case

The eDocRec Case

This chapter summarises qualitative data gathered from research with three projects in three Australian organisations to address research question 4: *How willing and capable are the project manager and project team to use the Stakeholder Circle™ methodology and visualisation tool to engage with their key stakeholders?* The three projects described in this chapter consist of two construction projects, a Town Hall Re-development and a City Mall Re-development, and one IT project, eDocRec – a records management system; they participated in Iteration 2 of the development/refinement cycle of the *Stakeholder Circle™*. Chapter 6 described the project that was in the first cycle – an Asset Management System, and Chapter 8 will describe the two projects that were part of the final cycle – one IT project and one business change project.

As in Chapter 6, these projects were categorised using three major typologies: the Project Typology Continuum defined by Briner, et al. (1996), the Project Goals and Methods Matrix of Turner and Cochrane (1993) and the NCTP Framework (Shenhari and Dvir, 2004), as discussed in Section 2.2 of this dissertation. The structure of this chapter is the same as that described in the introduction for Chapter 6.

7.1 Overview of the Iteration 2 Case Studies

Two construction case studies: a Town Hall Re-development project managed by Builder, and a City Mall Re-development managed by Council 2; and one business IT project: eDocRec for Department 1, are summarised in Table 7.1 below.

Table 7.1 - Summary of Iteration 2 projects

Case	Type of Company	Project Organisation	Background of PM	Project Type
Builder: Town Hall Redevelopment	Private business infrastructure solutions company	PM co-ordinates multiple contractor groups and liaises with client PM	No formal PM training; previous role = contract administrator; 'stretch assignment'	Concrete High Visibility AND Type 1
Council 2: City Mall Redevelopment	Local Government	The PM is part of the client organisation and co-ordinates multiple contractor and stakeholder groups	No formal PM training; trained as landscape designer; "PM not final career goal"	Concrete High Visibility AND Type 1
Department 1: eDocRec	Regional Government	Business Owner, line manager of group led team, and managed the PM	No formal PM training; qualified in marketing, good general management skills	Occasional High Visibility AND Type2

7.2 Case Study Description – Town Hall Re-development

Builder is a private business infrastructure solutions company, offering services in the areas of projects and property management and development services. Builder had been selected to manage the Town Hall Re-development project for Council 1 through a process of competitive tender. The project management service took the form of managing and coordinating the architects, engineering specialists and other specialist consultants, and taking responsibility for preparation, management, and administration of the project's schedules, budgets, issue and risk management.

7.2.1 Making contact and gaining access

The sponsor of Council 1's Asset Management system recommended to Builder that they participate in the research project. My impression was that Builder's Managing Director (MD) was not very enthusiastic about participation, but viewed this cooperation as another way to nurture the relationship with Council 1. I first made contact with the MD in early July 2004, and eventually conducted the interview with him early September 2004, after a series of postponed appointments. Once the MD had agreed to the participation of the organisation and the project, the PM was briefed on the research and his role in it. The PM was interested in participating, as "*a learning experience*", although very busy during the period of the research, with two other major projects as well as the Town Hall Re-development. One workshop only was conducted in early October 2004; time scheduled for this workshop was limited, with only an hour made available to complete the stakeholder identification and prioritisation exercise. When presented with the results in the *Stakeholder Circle*TM at a

subsequent meeting, the MD was polite, but questioned the value of both the methodology and the tool. He commented, “*it was an interesting exercise*”, but he could not allocate any further time to complete the second workshop. My impression was that he considered the whole set of activities of no value to him in improving stakeholder management processes in his company, and that he only participated at the request of Council 1.

7.2.2 Structure of the PM’s Organisation

Builder is a family-owned company, having been in the construction and infrastructure services industry for many years. Builder’s web-site states that:

“Through core competencies in five service streams, [the company] adds value to our clients’ business operations.”

The web-site lists and defines Builder’s capabilities in the areas of projects (including project management, cost planning), property (including facilities management, compliance audits), transactions (including transaction management, dispute resolution), management services (including executive coaching, change management) and development services (including development management).

The company organisation had a flat structure; those working in the company had multiple roles and assignments: the MD was a stream leader for one of Builder’s capability streams; he was the project director for the Town Hall Re-development project, providing high-level relationship management to the clients and a mentoring role to the project manager, a staff member who was also responsible for other projects. Figure 7.1 illustrates the structure of Builder, with the MD being ‘first among equals’ (McKenna and Maister, 2002) as the member of the leadership team, but having additional accountabilities for managing and growing the business. The staff appeared to have a similar structure, with the only hierarchy being that of different levels of knowledge or experience in one, or a number of streams.

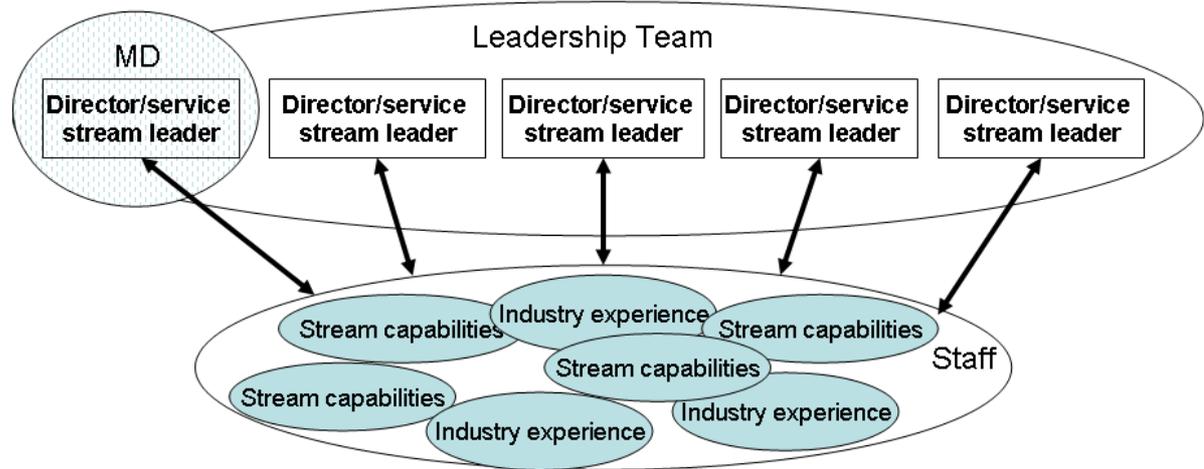


Figure 7.1 - Organisational structure for Builder

The current MD had recently been appointed to that role, after having worked for the company for over a decade in project management and line management roles. He had described himself as someone who: *“loves projects, working in projects, succeeding in projects”*. He was a *“man with a mission”*, whose key accountability was: *“to increase the company’s effectiveness through introducing contemporary project management skills, sustainable profitability and global expansion beyond Australia.”*

7.2.3 Values and Culture

An organisation’s culture can be identified by artefacts and creations. These artefacts can be visible symbols such as the physical arrangements of the offices and reception areas. Espoused values will also identify an organisation’s culture; values will be implicit in what people say and how they justify decisions (Schein, 1985). Cultural reinforcement occurs through coaching and mentoring programs that ensure juniors are infused with the methods of the organisation –“how we do things around here”, and public statements such as the company’s mission and vision (Winch, 2003) which in Builder’s case was published on the Internet. These elements will be detailed in describing the values and culture of organisations in the case studies.

Physical arrangements, as some of the visible symbols of an organisation (Schein, 1985) give clues to culture of an organisation (Martin, 2002). In Builder’s central office, the reception area was modern and welcoming, with an area for visitors to wait, and a staff kitchen partitioned off from the main reception area. I conducted all my interviews with the project manager and the MD in meeting rooms adjacent to this reception area or in the coffee shop on

the ground floor of the building. I did not see the office accommodation and can make no judgements about the working arrangements of the staff or status indicators that differences in staff accommodation might show.

The MD stated that he valued “*the use of informal structures based on influence, getting things done informally, forming alliances.*” One of the MD’s views of appropriate staffing mix in such a structure as that of Builder was a balance of “*Finders, Minders, and Grinders*”: those with the ability to find new clients and new work, those who can take care of existing clients and those with good technical skills.

7.3 Project Description

Builder’s role in the Town Hall Re-development project for Council 1¹ was that of contracted project management, coordinating the outputs of the professional service providers as well as managing and administering the overall program. To enhance the description of the project, it was categorised against the typologies defined earlier in this chapter and in more detail in Chapter 2, with details of its objectives and drivers and the part of its lifecycle in which the research was conducted.

7.3.1 Project Type

Using the Project Typology Continuum (Briner, et al., 1996), this project was classified as Concrete, with clear objectives and clearly defined processes to achieve them; and where project relationships, structures and risks well known. The attributes of delivering major change put the project in the middle of the continuum closer to the High Visibility end, although the project did not meet the other attributes of high risk, supported by their stakeholders, and critical to organisational survival (Briner, et al., 1996). To achieve success in this type of project, the project manager must integrate the work of the many specialist team members, and maintain monitoring and control mechanisms throughout the project.

Using the Goals and Methods Matrix Model (Turner and Cochrane, 1993), the project would be described as Type 1 with goals and methods are well-defined, a construction project with large dedicated teams, and several sponsoring organisations. In this model, Type 1 projects have the highest chance of success because their goals and methods are known and well-defined and it is possible for planning activity to occur early in the project’s lifecycle.

¹ Details of Council 1, its organisation and culture are in Chapter 6.

Although this project had some conflict between costs and features, the project manager had well-defined processes to manage the conflict and proceed with planning and finalisation of the design.

The NCTP Framework (Shenhar and Dvir, 2004) based on the four dimensions of novelty, complexity, technology, and pace, categorised the project as low novelty, medium technological uncertainty, regular pace, and medium complexity. It can be classified as low novelty because the infrastructure and basic design of this building was similar to any other public building of the last century, but containing innovative superficial design features; medium technological uncertainty arises through plans to use innovative air-conditioning to meet requirements of environmental sustainability; medium complexity because of the need to integrate the activities of large numbers of consultants, contractors and staff members.

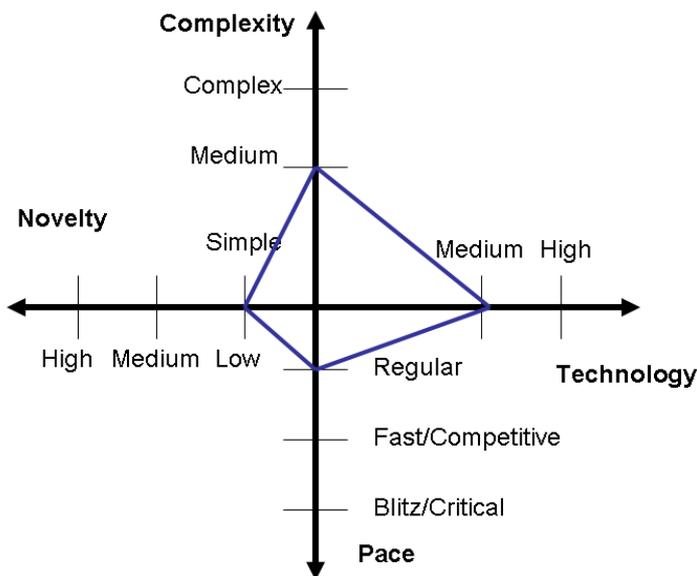


Figure 7.2 - Town Hall Re-development project in the NCTP framework

The project profile is shown in Figure 7.2. For this type of project the project manager requires management skills and administrative skills, the ability to develop and manage complex documentation, with requirements for frequent communication and informal interactions, and formal control on schedules and budgets. The recommended project management style fits with my assessment of the project manager’s role in this project.

7.3.2 Objectives and Constraints

There were a number of constraints on the design and delivery of the project. The *Client Requirements Brief* prepared by Builder stated that:

- “The civic and ceremonial value of the Town Hall should be reflected and reinforced in the planning and design of the facility
- Design and heritage are of equal priority
- Consider opportunities for making the most of the existing design ... current architects should consider the input of past designers in all existing sections of the buildings.
- Opportunities for pedestrianisation of the Civic precinct to be considered.

There were additional requirements in the Brief to adopt environmentally sustainable design where possible, to develop office accommodation for the staff to facilitate working relationships “both vertically and horizontally”, to maximise staff efficiency, and to support the *web culture* developing through the change program of Council 1.² The overall design was for open staff accommodation, with offices provided only for the CEO and the Councillors. Ample provision of meeting rooms and spaces was to be a feature of the design.³

7.3.3 Lifecycle

The research was conducted during the design phase of the project. There was tension between the desires of the Councillors to have a landmark, award-winning, but functional new building at low cost, and the desires of the specialist consultants. The engineers sought to meet Council 1’s requirements for ‘sustainable’ designs through the implementation of new technology and innovative designs. The architects sought to produce an award-winning design. Builder’s MD often referred to “*Hero Architects*” who were frustrated by the need to pare down their design to meet Council 1’s approved budget.

In an effort to resolve this conflict between the specialist consultants and Council 1’s CEO, Builder’s MD convened a *Value Management Workshop* to which all the project stakeholders were invited. The agenda offered opportunities to the architect, and the different engineering groups as well as the quantity surveyor to present alternative designs and issues to the participants of the meeting. The intention was that all the stakeholders were made aware of these issues and alternatives, and be given an opportunity to ask questions, offer opinions, and assess the “*value opportunities*”, and finally to agree an action plan. The workshop did not meet any of these outcomes; the CEO of Council 1 and the staff representatives did not agree

² The *web culture* and the change program being implemented in Council 1 is described in Chapter 6 as part of the description of Council 1’s values and culture.

³ Descriptions of plans for the open office accommodation is discussed in the description of the accommodation project in Chapter 7.

with many of the proposals. It was, however, a good opportunity for me to observe relationships within the stakeholder community of the project.

7.3.4 Levels of Support

The experience of *Value Management Workshop* was a good indication of the level of support that the project enjoyed. The specialist consultants had their own agenda, as described in the previous section, the Councillors and senior Council 1 management wanted to remain within the approved budget, but have an award-winning, internationally recognised building at the end of the project, and the staff did not want to move, did not want any disruptions, and wanted to be consulted in the final accommodation strategy of the refurbished building. Builder was focused on managing the specialist consultants and their management stakeholders; “*the client will manage their own accommodation and staff issues.*”

7.4 Project Organisation

The Project organisation describes the project governance arrangements, the client implementation groups and the extended project team, consisting of the project manager, members of the project team, contractors and consultants. Figure 7.3 shows the relationships of the Town Hall Re-development project through the project organisation chart. The major relationship was between the Builder project manager and the Project Implementation Group.

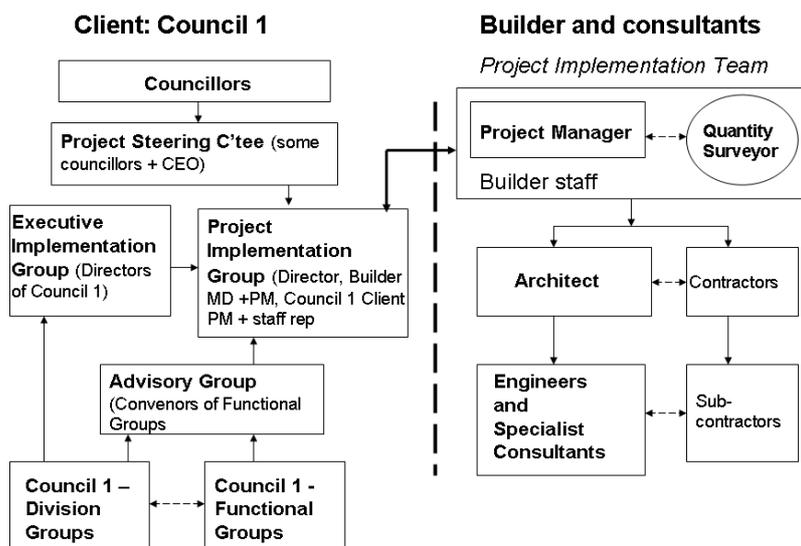


Figure 7.3 - Project organisation for Town Hall Re-development

7.4.1 Project Governance

As shown in figure 7.3, there were a number of committees and groups contributing to the governance of this project. The Project Steering Committee consists of Council 1 CEO and three Councillors. This group was the executive decision-making group and represented the needs and expectations of the Councillors on behalf of the resident and ratepayers of Council 1. The Executive Implementation Group consisted of all the Directors of Council 1 led by the CEO who was also the sponsor. This group ensured the needs and expectations of their divisional staff are communicated to the Project Implementation Group.

7.4.2 Client Implementation Groups

There were two major client implementation groups; the Project Implementation Group and an advisory group. The Project Implementation Group consists of the project manager and project director from Builder, and from Council 1: the client project manager, the staff representative and the Director, Urban Services, who was also the sponsor of the Asset Management System.⁴ The role of this group was central, representing both the needs and expectations of the client groups and ensuring that these needs and expectations were accurately communicated to the Project Implementation Team of service providers, led by Builder. The advisory group represented the needs and expectations of the members of Council 1's functional groups.

7.4.3 Project manager

The project manager had come through the construction ranks from contract administrator to construction management and project management roles. His role was to convene regular meetings with the architects, engineers and other specialist consultants, manage issues and maintaining the schedule ('program'). He described his role as, "*forming the link between the consultant team and the client.*" At the time I was working with this project, the PM was focussed on trying to "*tie down the design*" and therefore the scope and budget for the project. The PM used meetings to achieve this outcome: he met with the staff from Council 1, he met with specialist consultants both individually and jointly, he met with the MD, he met with the quantity surveyor. He commented: "*Once the design scope and budgets and schedules are approved, the number of meetings will decrease.*" While the PM was responsible for much of the communication with clients and professional service providers, the project director managed communications and relationships with the senior managers of Council 1.

⁴ This is the case study described in Chapter 6

According to Builder’s MD, the role of the project manager is to:

“fully consult with the client, manage the budget and ensure delivery of quality and functionality as specified”.

The MD had *“thrown the young PM in at the deep end”*, but was personally coaching him in his project management role.

7.4.4 Project team

The PM and the quantity surveyor are Builder’s staff on the team. *“This is a big team for the size of the project.”* The project organisation chart included all the specialist consultants and contractors and sub-contractors as part of the *“Project Implementation Team”* that was led by Builder’s project manager as shown in Figure 7.3.

7.4.5 Sponsor

The Sponsor for this project was the client CEO, who recognised the sensitivity of this project for staff and residents, as well as reflecting the reputation of the Council and the Councillors. Because this project had such a high profile, the CEO had taken a personal interest in the development of the design and managing the budget.

The role of the Sponsor as expressed by Builder’s project manager was to:

“appreciate the real situation of the project and to be open to advice from the PM as communicated at meetings, open communication channels and timely and accurate information.”

7.5 Relationship Management

The Stakeholders identified by the project team through the methodology are shown in the *Stakeholder Circle™* in Figure 7.4 below⁵.

⁵ See Chapter 4 for detailed descriptions of the methodology and its use.

7.5.1 Stakeholder Circle™ for the project

Town Hall Redevelopment

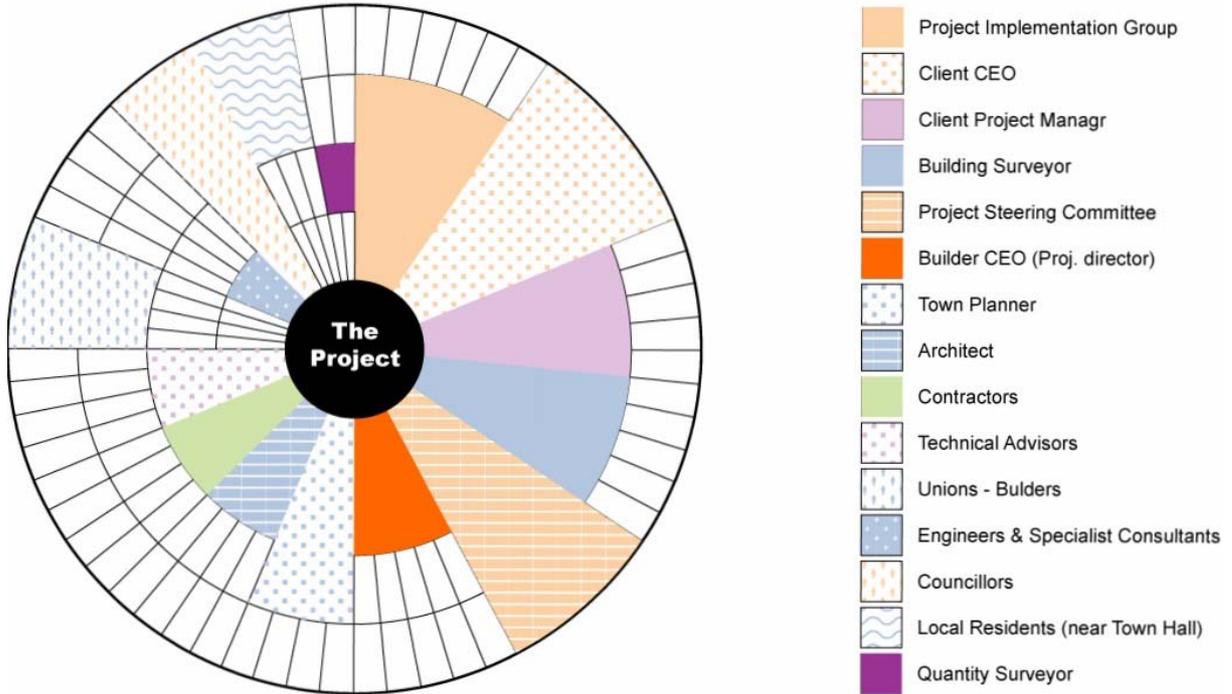


Figure 7.4 - Stakeholder Circle™ for Town Hall Re-development

The relationships pictured in Figure 7.4 are summarised in Table 7.2, showing priority number, the ‘direction of influence’ of each stakeholder of group and the nature of the relationship with the project.

Table 7.2- Summary of key relationships for Town Hall Re-development

Priority	Key Stakeholder	Direction of Influence	Role in Project Organisation
1	Project Implementation Group	Upwards	Focus of the project, represents interest of both client and technical
2	Chief Executive Officer	Upwards – power to ‘kill’ the project	Sponsor of project; manages Council 1 on behalf of Council
3	Client project manager	Sideways	Represents client needs and expectations; also on Project Implementation Group
4	Building surveyor	Outwards	Ensures that project complies with building regulations
5	Project Steering Committee	Upwards – power to ‘kill’ the project	Executive decision-making body, representing the Councillors and therefore the residents and ratepayers of Council 1
6	Builder MD/project director of project	Upwards	Mentoring of PM; ultimate responsibility for success of project
7	Town Planner	Outwards	Ensure plans comply with regulations; issues Planning Permit
8	Architect	Outwards	Meet client brief for high-quality,

			functional, environmentally sustainable
9	Contractors	Downwards	Deliver good quality building
10	Technical Advisors (staff of Council 1)	Sideways	Ensure ‘business as usual’ throughout the project; within specialty (eg records management, staff accommodation) best facilities available
11	Unions - Building Trade	Outwards	Best conditions for members
12	Engineers and Specialist Consultants	Outwards	Meet brief in most creative way
13	Councillors	Upwards – power to ‘kill’ the project	Responsible to residents and ratepayers for overall budget, and profile of Council 1’s infrastructure and reputation
14	Local residents (near Town Hall)	Outwards	May be disturbed by the building activity
15	Quantity Surveyor	Sideways	Responsible for project cost management (part of the project team from Builder)

In this *Stakeholder Circle*TM the instances of managing outwards (6) or sideways (3) (contractors or peers) are highest, with only one instance for ‘team’ and five instances of ‘managing up’. Managers shown on the *Stakeholder Circle*TM for this project are mostly from Council 1; Builder’s MD appears, but has not been rated as being very powerful, or influential. The CEO who was the ‘sponsor’, the Project Steering Committee, and the Councillors of the client organisation have the power to ‘kill’ the project. The Sponsor (CEO) and the Project Steering Committee have equal power and influence while the Councillors have less influence although as much power. Most of the key stakeholders defined by the *Stakeholder Circle*TM appear on the project organisation chart shown in figure 7.3.

7.5.2 Managing stakeholders

Levels of support for the project varied. The needs and expectations of the Council, the architects and the engineers were described earlier in this section. The needs of the staff seemed to not be recognised sufficiently by Builder’s PM, even though both the PM and the MD recognised that Council 1 staff would be the most impacted group in the project. I will describe these issues in the case study on the accommodation project later in this dissertation.⁶

There seemed to be a greater effort on communicating to stakeholders outside the project, in particular the ‘general public’. Early in the design phase a public meeting was convened to provide the general public with the opportunity to view the plans and make comment. The notification was published in the local ‘free’ newspaper and stated:

⁶ This case study description will be in Chapter 8

“You are invited to view and comment on the plans for the [city] Town Hall. The plans include improved access for the public, more spaces for community use and additional office space.”⁷

The plans were available for public scrutiny all afternoon of the day of the meeting and the main item on the agenda were representatives of the Architect who would “*make a presentation*” at the meeting.

Although I was invited, I was unable to attend because of previous commitments. Builder PM attended and reported that only eight people attended the meeting. The PM stated:

“I’m not surprised. These meetings do not normally draw crowds. There is not really anything much in the plans that will affect the public.”

Public apathy to this re-development is unusual for any development within Council1; most plans to develop within this local government area meet with opposition from the public, particularly if the development will affect heritage aspects of buildings or spaces in the area. Headings in local newspapers are more usually of the nature of:

“Residents, developers and the local council look set for a prolonged battle over the future development of the seaside suburb’s famous pleasure precinct.”⁸

“Supermarket plan shot down second time.”⁹

“Fight to stop chains taking over [Council 1] ... council has received 130 objections from local residents and traders as well as a petition signed by 117 people, objecting to car-parking permit lodged by the proprietor of the new 7-Eleven.”¹⁰

The Town Hall is heritage listed; one building in the complex is to be demolished while the oldest building will have major internal changes during the refurbishment.

7.5.3 Communication

The MD used the technique of “*‘Viral Spread’ or ‘corridor chat’ before raising matters formally in meetings*” to accelerate the acceptance of change within his own organisation. He

⁷ *Diversity*, July 2004: “Designs on Display”

⁸ *The Age*, July 2004, p3: “Three sides of the triangle”

⁹ *Emerald Hill Times*, July, 2004 p7

¹⁰ *Emerald Hill Times*, July 2004 p5

also described his “*office in the coffee shop*” where much of his business with clients was conducted and found that these less formal methods was a good way to ensure that he was advised of the decisions of meetings with councillors that he did not attend. It was often necessary to know about these decisions, to be able to manage other project relationships more effectively.

The PM used the communication channels of fortnightly design coordination meetings between the PM (himself) and the specialist consultants, and other regular, or day-to-day adhoc meetings as necessary.

I did not develop an Engagement Strategy with Builder, due to lack of time and Builder’s lack of interest. Neither the MD nor the PM was enthusiastic about the impost of developing the stakeholder list nor about developing any other communication strategy – my impression was that they were quite comfortable with the procedures and processes that they had been currently using.

7.5.4 Project success

Builder’s MD defined project success as:

“Client’s expectations exceeded, it was a growing and learning experience for the staff, and it was profitable for the company and contributed to [the company’s] reputation in the industry, and therefore repeat work.”

The PM defined a successful project as:

“One that meets its brief, delivers within financial and time constraint and where the relationship of members of the project was maintained intact at the completion of the project”

7.5.5 ‘Politics’

When asked about ‘politics’, the MD stated that people come to understand the importance of politics through:

“learning from other more experienced people, accidental exposure, feedback from others, mistakes, success and gradual almost unconscious acquisition of awareness and skill over time.”

He approached his coaching of the PM in this area through, *“philosophical discussions about specific topics, such as politics, budgets, conflict management,”*

According to the PM:

“The essence of politics is about human frailty. Politics is about understanding the likes and dislikes of other people, their agendas and quest for achieving and maintaining status – ego. I don’t like to do politics, but I feel I can learn.”

7.6 Town Hall Re-development Project – Summary

Builder was a useful organisation to research since it was a privately-owned organisation operating in the construction industry. It offered the opportunity to compare private industry with government organisations – it was the only non-government organisation in my research. Builder’s project management processes fitted with the model for construction projects defined by both the Project Typology Continuum and the Project Goals and Methods Matrix, making it an ideal representative of construction projects.

7.6.1 Researcher Reflection

Research in this organisation was the least satisfying of all of my work. Builder’s MD postponed our first interview many times; it was at least six weeks between when I first made contact to when I presented the research brief to him. I was actually surprised when he agreed to participate. He had told me that the Director, Urban Services had “*strongly suggested*” that he participate. I had the impression that he was participating as a way to nurture the relationship between Builder and Council 1.

I only had five hours contact time with him and the project manager. However, the time I did have was sufficient to develop the *Stakeholder Circle*TM with him, to verify key stakeholders with him and to gain insights into his style and that of the project manager.

During our meetings and in the interview with him, I wondered if he was telling me what he thought I should hear; I was left feeling that his descriptions of the organisation he was managing were too good to be true. It may have been that he was describing his plans and desires for the organisation. The data I collected from the project manager did not confirm or refute these impressions. However, in discussions with individuals in the Council 1 organisation, some of my misgivings were confirmed, when without prompting comments were made about the MD and his tendency to promise more than was actually delivered.

7.7 Case Study: City Mall Re-development Project

Council 2 is responsible for the major city in the Region. The city has many public spaces – parks, waterways, railways and streetscapes; it has received many awards for its developments and public works within the city. The division that I worked with was responsible for Urban Planning, Design and Delivery and had a widely diversified team, consisting of architects, urban designers, landscape architects and industrial designers. I got a sense from the interviews that I conducted that there was a strong passion for good design in this urban environment.

7.7.1 Making contact and gaining access

I made contact with a manager within Council 2 through a colleague. The manager was interested in participating in the research. It was almost a month after this first contact that I was able to make the presentation to him in person. He agreed to participate, nominated the City Mall Re-development project as “*high profile*” with “*multiple stakeholders*”. He stated that he wanted “*some tool at the end of the project, and set of processes to help us better manage projects both inside the Council and outside.*” He did not want the research to commence until he had “*appointed someone to manage stakeholder relationships on the project*”. It took a further six weeks to reach the point where a first meeting with the project director, the project manager, and the stakeholder manager could be convened. The project manager was quite neutral about participating in the research, but the stakeholder manager was interested in being involved “*as a learning experience.*” The first contact was made in early May 2004, the first meeting occurred in mid August 2004.

7.7.2 Structure of the PM’s Organisation

The Councillors and management of Council 2 made a public commitment in the 1980s to retain the character of the city and to strengthen the city’s identity as an appealing and culturally dynamic capital city. Some staff had worked for Council 2 for their entire career. A number of the design team have come from overseas to work with the Director of Design, because of his reputation.

Council 2 was headed by the CEO reporting directly to the Councillors – the elected representatives of the ratepayers and residents of Council 2. The formal hierarchical structure is a five-layered traditional structure, as shown in Figure 7.5. The high-level structure was

published on the web-site of Council 2. Details about the City Projects Group were described in an interview with the sponsor.

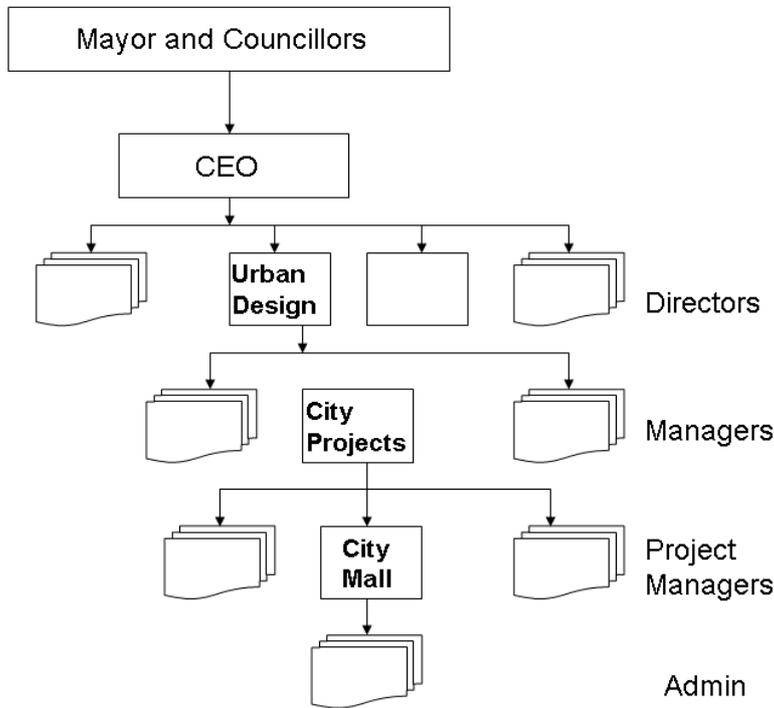


Figure 7.5 - Organisation structure of Council 2

Unlike Council 1, which preferred to outsource much of the design and project management for their Town Hall Re-development project, Council 2 had chosen to design and project manage using the skills of their own staff – ‘inhouse’, and using external, contract specialists only when necessary.

7.7.3 Values and Culture

Physical arrangements within the building that the Council 2’s Design group occupied at that time were:

- Aging and shabby surroundings – a new Council HQ building was being prepared for the Design staff to move into elsewhere in the city.
- Open plan general accommodation, with offices for Directors (reporting to CEO) and the next layer of management.
- Few meeting rooms and constant competition for them.
- Models of projects recently completed or still under construction were placed in the meeting rooms and other available surfaces.

- The many awards that Council 2 had received for its designs were kept in the Director’s office in a prominent place. The awards were also listed on the web-site: an impressive list going back two decades.

The web-site opens with the following statement:

“There is much to love about [the city]. Just ask the locals. This sophisticated world city in the south-east corner of mainland Australia inspires a deep passion in those lucky enough to live here. They love its vibrant energy, staggering choice of restaurants, funky boutiques, café-filled laneways, cool bars, unbeatable galleries, luscious parks, and village-like inner suburbs, each with its own special character. ... Warning: you might never want to go home”

The most recent Annual Report 2003/4 reported on six themes:

1. *“A connected and accessible city*
2. *An Innovative and vital Business city*
3. *An Inclusive and Engaging city*
4. *An Environmentally Responsible city*
5. *A well-managed and Leading Corporation*
6. *A Financially Responsible Corporation.*

As a frequent visitor to this city I can comment that Council 2 had been successful in fulfilling items 1 – 4.

The City Projects Group had published its standards on the web-site and was proud of its “*best practice*’ in the areas of conservation, development and technical innovation.”

7.8 Project Description

The project was the re-development (revitalising) of the central city shopping mall – a city street that was closed to traffic, but had trams still travelling through, flanked by department stores and other, smaller shops, often part of retailing chains. The plan featured development of more flexible open space that would allow activities and events, quiet sheltered places for shoppers and visitors to the city to relax, more prominence for the historic facades of buildings, re-surfacing of the roadway for improved safety and aesthetics. It is part of the program of “*revitalising [the city] through urban design.*”

7.8.1 Project Type

Using the Project Typology Continuum defined by Briner, et al., (1996), this project was classified as Concrete, with clear objectives and clearly defined processes to achieve them; and where project relationships, structures and risks were well known. The attributes of delivering major change put the project in the middle of the continuum closer to the High Visibility end, although the project did not meet the other attributes of high risk, supported by their stakeholders, or critical to organisational survival (Briner, et al., 1996). To achieve success in this type of project, the project manager must integrate the work of the many specialist team members, and maintain measurement and control throughout the project; by my observation and through data I had collected, it appeared that the PM acted according to the theoretical procedures for success of this type of project.

In the Goals and Methods Matrix Model (Turner and Cochrane, 1993), the project would be described as Type 1 with goals and methods that were well-defined; a construction project with several sponsoring organisations, but (not quite in accord with the Model) only a small project team. In this model, Type 1 projects have the highest chance of success because their goals and methods are known and well-defined and it is possible for planning activity to occur early in the project's lifecycle. Although this project had some conflict between costs and features, the project manager had developed processes to manage the conflicting requirements of the stakeholders of the project, and a stakeholder manager had been assigned in recognition of the complexity of management the stakeholder community for this project.

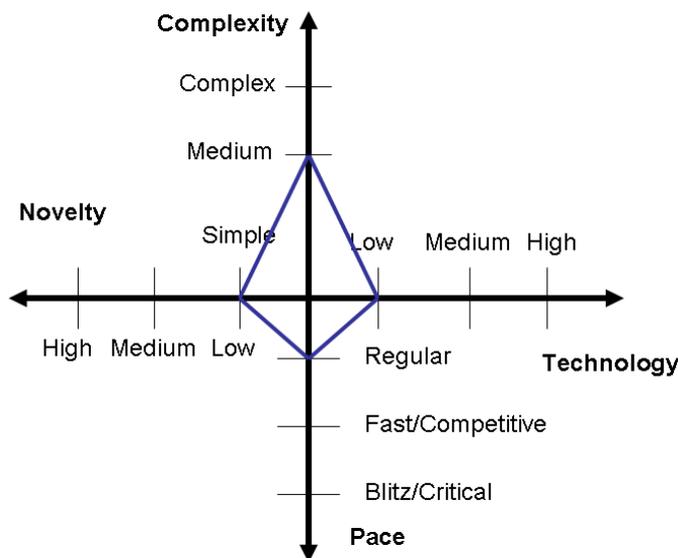


Figure 7.6 - NCTP framework for City Mall Re-development project

The NCTP Framework (Shenhar and Dvir, 2004) based on the four dimensions of novelty, complexity, technology, and pace, would define the project as low novelty, low technological uncertainty, regular pace, but medium complexity due to the complexity of project relationships. These relationships will be described later in this chapter. The NCTP framework for this project is shown in Figure 7.6.

7.8.2 Objectives and Drivers

In a partnership with the Regional Government and the business community, Council 2, is implementing the Re-development of the City Mall as part of its *Retail Core Development Strategy*, described in the prospectus issued early in the pre-design phase as ensuring that its vision of the city as a world-class place for residents, workers and visitors would be realised. An additional driver was preparation of the city for a major international event in 2006.

7.8.3 Lifecycle

The research was conducted during the design phase and encompassed major community and stakeholder consultation, securing sufficient funding to complete the capital works planned and approval of planning permits for the implementation of the design.

7.8.4 Levels of Support

The features of the design had to be scaled down twice since the initial publication of the ‘prospectus’, both in response to stakeholder feedback and a result of a shortfall in funding; the Regional Government and the Public Transport Company had been initially viewed as funding partners with Council 2 for this project, but had been unable or unwilling to contribute to the level initially expected.

According to the stakeholder manager, the general public were disinterested in the early phases of the public consultation; “*only five responses resulted from the initial publication and wide distribution of the plans.*” The views of the traders were mixed; the design had to be modified as a result of their opposition to some of the changes that would affect the look and feel of their shop-fronts. They had been expected to contribute some funding, either as a once-off capital contribution or as an impost on their rates. By design phase of the project, the project manager stated: “*it was well understood that the traders were not prepared to make any additional contributions.*”

7.9 Project Organisation

The project organisation for the City Mall Re-development project was defined in terms of governance within Council 2 as well as the need to refer to regulatory bodies outside the Council in the form of government regulation. Other statutory bodies included authorities such as the Fire Brigade and utility companies, the transport provider, whose activities were central to the project’s success, and other community organisations that require special consideration and special access, such as disabled groups.

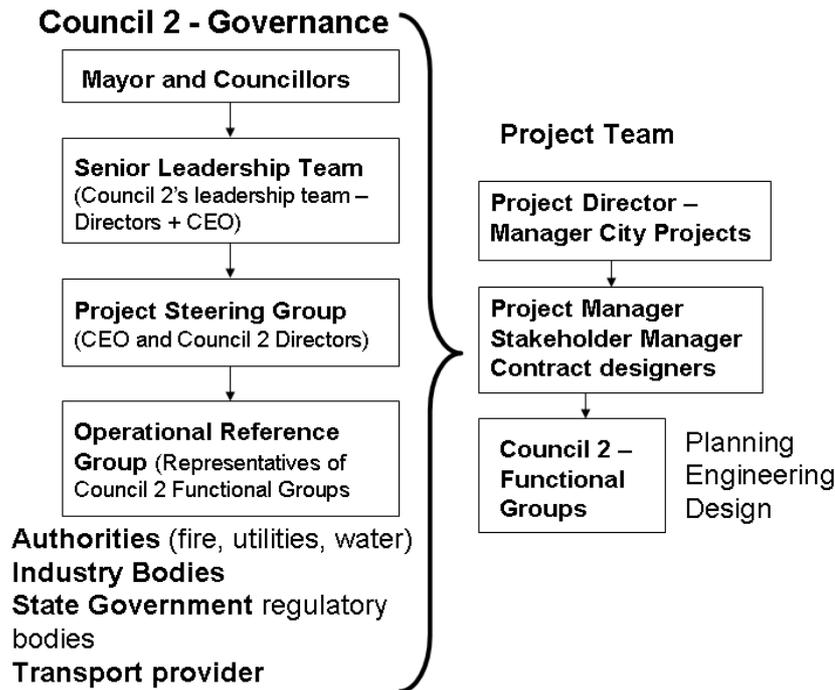


Figure 7.7 - Project Organisation for City Mall Re-development

7.9.1 Project Governance

Project governance was in the form of management and policy groups within the Council; the Senior Leadership Team reporting directly to the Mayor and Councillors and jointly responsible for the effective management of Council 2, the Project Steering Group which included the project sponsor, and the Project Control Group with oversight of projects such as the City Mall Re-development. The Operation Reference Group consisting of representatives from all the functional groups in Council 2 ensured that all planning, regulatory and safety issues were addressed as well as the provision of appropriate resources for the project.

7.9.2 Project Manager

The project manager was a qualified landscape architect who had been with Council 2 for his entire career, coming to Council 2 for his University work experience, and then after

graduation, attracted by the reputation of Design Group for innovative and sustainable urban design:

“On-the job training here at the Council, and studies as a landscape architect are good training for project management.”

Although he had no formal PM training, he described himself as:

“a project management professional,” specifically distinguishing himself from an ‘accidental PM’ *“by skills that a professional project manager would bring to the table, including thinking strategically. A professional not only does the ‘hard skills’ but also works within the ‘soft’ environment, working within the power structures, relationships and strategic environment. Other skills are needed – negotiation, interpersonal, thinking politically and strategically as well.”*

He saw his project management role on this project as:

“driver and facilitator. It is important to know when to ‘stop and wait’ for the benefit of the project, and understanding other dynamics around the project.”

From a career perspective, he saw this role as interim. The policy of this particular branch was that all professionals were given project management roles as their first assignment(s), before moving on to work within the discipline in which they had been trained. This project manager was looking forward to having assignments within his own discipline of landscape architecture *“when I grow up.”*

The sponsor described his expectations of the project manager as:

“The project will be completed on time and on budget and that’s the easy part. The other responsibilities are to coordinate the overall design team, including internal and external consultants and the various authorities that we need to deal with. We are doing it in conjunction with the State Government and Tramways; there are quite a few Government relationships that I expect to be covered off. This particular project comes out of the retail strategy, so I have fairly high expectations that all those people, that we have been talking to for the last 4 or 5 years, don’t suddenly get dropped out of the loop as we get caught up in the rush to deliver the project.”

7.9.3 Project team

The second member of the team was the stakeholder manager, whose background was communications and public relations; she also had a major role in another of Council 2's projects. Both the PM and the stakeholder manager were residents of Council 2 and passionate about 'public service' in the sense of wanting to offer the stakeholders of Council 2 the very best service and environment.

7.9.4 Sponsor

The sponsor for the project was the Director who also had accountability for Urban Design, reporting directly to the CEO of Council 2; responsible "for design and project managing the capital works programme for the City. And that's mainly infrastructure projects. I also have responsibility for the co-ordination of the capital works program across the Corporation."

He was passionate about urban design; he had been in that role since coming to Australia to participate in the original City Strategy early in the 1980s.

"Basically the Council in '83, I suppose philosophically, they decided that they liked [the city] as it was, and decided to put together a strategy built on [the city] characteristics rather than maybe, the American characteristics. Initially they decided on a strategy to reinforce the character from a physical point of view, but now obviously from a social and cultural point of view. I think the strength of the '85 plan was that it was founded in a community consultation that came out before we got underway with the review. So they had community planning groups in the residential areas and the neighbourhood, and involved people to say what sort of certain aspects of our neighbourhood you would like and would like to preserve. That emphasis came in to the '85 plan. It was more about accepting what we had and try to make it stronger, rather than actually trying to change it to something else."

Under his design leadership, Council 2 had won many awards – the sponsor proudly displayed many of them in his office. This sponsor understood his role as being responsible for the funds and realisation of benefits and also for ensuring roadblocks to project success were removed. He was very supportive of both the project and the project manager.

"Make them comfortable that they can come straight to you. I suppose in the way you conduct yourself; make yourself available as a friend, as well as a work colleague as well as a manager."

The policy of the Design Group as defined by the Director was:

“I have a personal philosophy that landscape architects make better urban designers than architects. They are trained to design space. They don’t try to design a tree; they actually deal with the space, whereas architects tend to design the tree. So we look at landscape architects, and what I try to do, I encourage them to take a greater interest in urban design. I have sent two overseas to train and get Masters qualifications. And they have both left. And that’s good because we have those contacts out there.”

7.10 Relationship Management

The Stakeholders identified by the project team through the methodology are shown in the Stakeholder Circle™ in Figure 7.8 below.

7.10.1 Stakeholder Circle™ for City Mall Re-development

The City Mall Re-development stakeholder relationships are summarised in Table 7.3 below, showing priority number, the ‘direction of influence’ of each stakeholder of group and the nature of the relationship with the project.

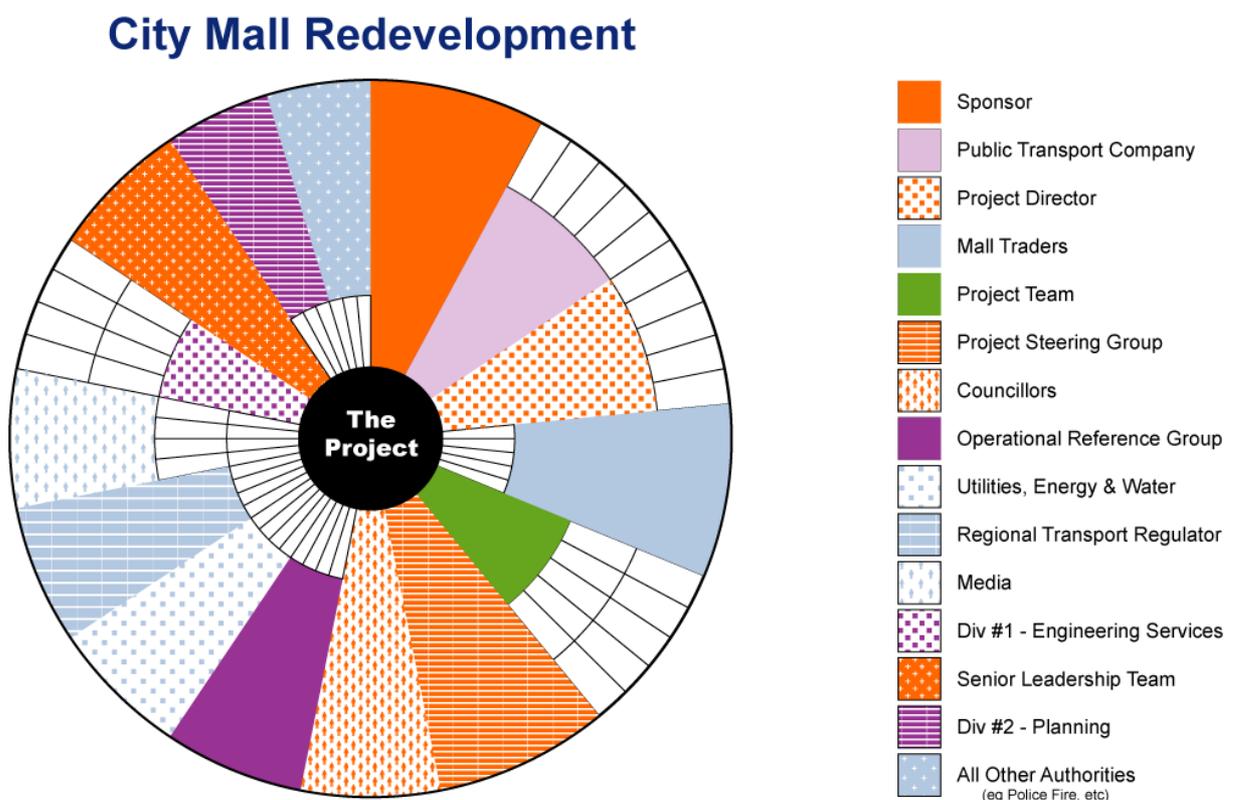


Figure 7.8 - City Mall Re-development stakeholders

Table 7.3 - Summary of key stakeholders for City Mall Re-development project

Priority	Key Stakeholder	Direction of Influence	Role in Project Organisation
1	Sponsor	Upwards – power to ‘kill’ the project	Responsible for advocacy for the project and continued allocation of funding
2	Public Transport Company	Sideways	Part of the project team; co-sponsor of infrastructure project
3	Project Director	Upwards	Responsible to Senior Leadership for project success
4	Mall traders	Outwards	Key impacted group; business may be impacted during construction works
5	Project Team	Downwards	Responsible for work to deliver project success
6	Project Steering Group	Upwards – power to ‘kill’ the project	Steering Committee for the project; major decision-making body
7	Councillors	Upwards – power to ‘kill’ the project	Responsible to residents and ratepayers for overall budget, and profile of Council 2’s infrastructure and reputation
8	Operational Reference Group	Sideways	Input to design; management of facility after implementation
9	Utilities, Energy and Water	Outwards	Regulatory requirements for security, safety, access and management of facilities
10	Regional Transport Regulator	Outwards	Regulatory body with oversight on transport and other infrastructure affected by construction works
11	Media	Outwards	Important for informing public and also forming public opinion
12	Division #1 – Engineering Services	Sideways	Management of traffic and infrastructure; management of facilities after completion of project
13	Senior Leadership Team	Upwards – power to ‘kill’ the project	Responsible to CEO and Councillors
14	Division #2 – Planning Services	Sideways	Essential input to the project design
15	All other authorities	Outwards	Regulatory requirements for security, safety, access and management of facilities

In this *Stakeholder Circle*TM the instances of managing outwards (5) or sideways (4) (contractors or peers) occur most frequently instances of ‘manager’ occur only less frequently (5), and instances of ‘team’ occur only once. The *Circle* is quite balanced with ‘outwards’ ‘sideways’ and upwards’ having similar numbers of instances. Four of the five ‘managers’ have power to kill the project; only managers have the power to ‘kill’ the project. The sponsor has most power and influence, while councillors and the two control groups are perceived to have less influence than the sponsor.

7.10.2 Managing stakeholders

Council 2's web-site states that:

“Open communication with all of these [stakeholders] is high on our list of priorities. We need to talk to the people our actions will have the most impact on, and they need to speak to us. This is the only way we can make informed decisions that take all issues and concerns into consideration.”

Both the project director and the project sponsor on different occasions made mention that it was important to consult with stakeholders. However, *“often in the public space,”* such as this project represented, *“it was not possible to resolve the multiple competing interests.”* When asked about resolution of such conflict the sponsor stated:

“I think at the end of the day, it has to be the Government of the day in that particular role. And this is why I argued very strongly for Governments to have experts within the Government that understand those issues.”

For this project, managing stakeholders was the most complex aspect. As a public construction project, this project had the potential to impact many types of stakeholders, not only residents and traders within Council 2, but also workers, and local and international, regular and casual visitors. Other groups needed to be considered and consulted, from the providers of services such as Fire Brigade and power authorities, to the disabled and government regulators.

Council 2 developed a comprehensive list of stakeholders using a process and a template that had been developed for previous Council 2 projects; the communication strategy based on meetings, using general mail outs and information brochures placed strategically in the local newspaper, on the trams and in central Information booths in Council 2 areas and in the Mall itself.

It had been anticipated that some major construction works such as moving tram stops and other excavation in the Mall itself would raise objections; the communication strategy recognised this and attempted to reach all those potentially impacted through the mechanisms just listed. However, there was still a great deal of adverse publicity when the disruptions did indeed occur. The local newspaper carried a story that stated:

“Shoppers have had to contend with construction noise, congestion, and the redirection of trams and other traffic.”¹¹

7.10.3 Communication

The two workshops, Stakeholder ID and Engagement Strategy, were conducted in one session, because of the need to include the project director. It was particularly important to understand his perspective on stakeholders, because he had stated that there was a need for Council 2 to improve stakeholder management of its projects. It was essential to seek his views because my assessment of the stakeholder management process as it had been documented was that Council 2 had a comprehensive and potentially effective communication plan. The statement of the project director contradicted these first impressions.

The view and definition of stakeholders in Council 2 as expressed by all the project team members was that stakeholders were external to the organisation. The concept of including Council 2’s management and other staff was challenged during the workshop, only being accepted once the extended definition of ‘stakeholder’¹² was explained and agreed.

I had been invited to attend a fortnightly meeting to manage and report on the communication plan, and attended on a regular basis. As a result of these meetings and the reporting that occurred, I began to understand the issues that the project director had with stakeholder management. Many key stakeholders wanted to deal directly with the Director; decisions were made and issues addressed at these meetings that were not immediately communicated to the project manager or the stakeholder manager. They often learned about these decisions much later; causing conflict between the project, the stakeholders, and often the Director. The Director dealt with issues in this way:

“If they do get bogged down and they are truly bogged down and you can’t go forward. We can find a way around it. I am always thinking about what next step we have got to make to eventually get something on the ground. In this particular unit, we will be measured by what we get on the ground.”

The transport provider did not comply with the communications plan; Council 2 had developed defined communication points that required the transport provider to include

¹¹ *The Age*, June 13, 2005 p8: ‘City chaos as tram plans begin to roll’.

¹² This definition is discussed in Chapter 2 of this dissertation.

messages about disruptions to transport services during construction, or at least approve messages developed on their behalf. They did not view the work they had to do as ‘project’, but as ‘operations’ and therefore did not share the same sense of urgency with the Council 2 team. These differences were not communicated to the project team until well into the planning phase of the project. Because of this misunderstanding, other interdependencies between the transport provider and key stakeholders became risky and problematic.

Developing Council 2’s communication strategy had not been followed by the implementation action as scheduled in the engagement plan for managing their stakeholders. Consequently, the project team were constantly engaged in ‘fire fighting’ to resolve crises that continued to occur. The stakeholder manager was too busy to manage stakeholders as closely as she believed necessary and in accord with the agreed Engagement Strategy. Neither was she permitted to maintain contact with some of the management level stakeholders – this was to be done by more senior managers in Council 2.

7.10.4 Project success

The sponsor defined project success as:

“First of all there are the standard two things, time and budget. But to me, having said that it’s not the way I initially measure a successful project. I do feel quite strongly that we should deliver in time, because that’s what keeps us from being criticised. Because I work with related works in the public realm, the thing that gives me greatest satisfaction is a positive public response. Second thing will be that it has actually stood the test of time. On the day that that project is completed, that ten years down the track you can still look at the project and say that it has worn well, that we haven’t had to go back and remake it. To me that also give me an immense sense of achievement that we have delivered a project that has stood up to the rigors of the city, that are not insubstantial.”

The project manager defined success as:

“A successful project delivers agreed outcomes rather than outputs. It is harder to deliver outcomes, harder to measure.”

For the City Mall Re-development success would be an: *“increase in visitors to the city as well as satisfaction of the retailers.”*

7.10.5 ‘Politics’

The Director of Urban Design (the sponsor) described the politics of the organisation:

“Politics takes on a number of forms: the external politics due to fixed terms of the elected representatives and their needs to satisfy their constituencies, and the internal politics of competing demands for funding, resources, influence, and power”

The sponsor also stated:

“Obviously there are a number of formal mechanisms. So if you are going to start a project or spend some money you can go through that. Again, I will make a judgement quite often on informal method of picking up the phone and asking the question of fellow Directors, Chief executive, Councillors as necessary. And that will depend on how quickly you need a response and whether you think it is important enough to actually bring it up impromptu. I would use that not only reporting up within the organisation, but I use it externally. So I see a lot of my role in trying to ease the path of the PM, through the bureaucracy, both internal and external. And if I can keep them productively working, rather than worrying about whether something is going to get through the system I would get more work out of them.”

The project manager expressed his view:

“It is important to manage expectations even though sometimes this can sound negative to people. Many people in [Council 2] do not appreciate the need to balance so many conflicting requirements.”

7.11 City Mall Re-development – Summary

The project organisation for this project was comprised of passionate, politically astute individuals. They had good procedures in place to identify the project’s external stakeholders and to develop communication plans for their management. But there was no overall plan for ensuring that all information about stakeholders and decisions made with them were communicated to the other people in the team who needed to be aware of the changes in emphasis or implementation. So while the procedures and mechanisms for managing external stakeholders seemed robust enough, what was missing was a process to ensure that internally, the relationships were effectively managed.

7.11.1 Researcher Reflection

I had a few surprises during my research in Council 2. The first was the contradiction between the comprehensive templates for identification of external stakeholders and communications with them and the statement of the project director that stakeholder management “*didn’t work in this organisation*”. The second contradiction was the difference between the initial refusal of the sponsor to my request for an interview, and the absolute enjoyment and passion that he exhibited once he had been persuaded to actually talk to me. The stakeholder manager, described the environment there as “*blokey and aggressive*”, but also stated that many of the policies of Council 2 were extremely enlightened and that individually, the senior managers were quite personable and passionate about their work within the Council.

I found that by the time I interviewed the sponsor of the project that I had developed good interviewing skills and was able to elicit better information from my interviewee.

7.12 Case Study Description: eDocRec

Department 1 was part of the Regional Government and was “*the lead provider of essential infrastructure in Victoria, with responsibility for transport, ports and marine, freight, information and communication technology (ICT), major development, energy and security.*”¹³

7.12.1 Making contact and gaining access

Department 1 was the second organisation that I successfully contacted. One of my friends was working there and offered to recommend the research to her manager, who was responsible for piloting an electronic records management system. The manager, the Business Owner of the project, agreed to participate in the workshop, after I presented to her the nature of the research and benefits to her. The first contact was early May 2004. She agreed to set up a meeting with her team, consisting of the project manager and her records management specialist so that I could brief them on the process of the workshops and the theoretical underpinnings of the work. This occurred early June 2004. The Business Owner told me later that she had also obtained the support of her management by suggesting that this process of working with my research could be part of her personal development plan.

7.12.2 Structure of the Organisation

The project manager was not on the staff of Department 1, but was a contractor, working for an organisation well-respected in Australia. I will not be describing this organisation, but Department 1, the organisation of Business Owner – who in my view was fulfilling the role of ‘successful’ (Bourne, 2005a) project manager.

Department 1 was headed by the Departmental Secretary reporting directly to the responsible Ministers – the elected representatives of the Region. This Department supported four Ministers. Although there was only one Departmental Secretary reporting to four Ministers, a series of subcommittees supported him in management of the important aspects of finance, capital, policy, and planning. Successful delivery of system eDocRec was the accountability

¹³ From the web-site

of the Web Delivery Group, managed by Business Owner. The formal hierarchical structure¹⁴ is shown in figure 7.9.

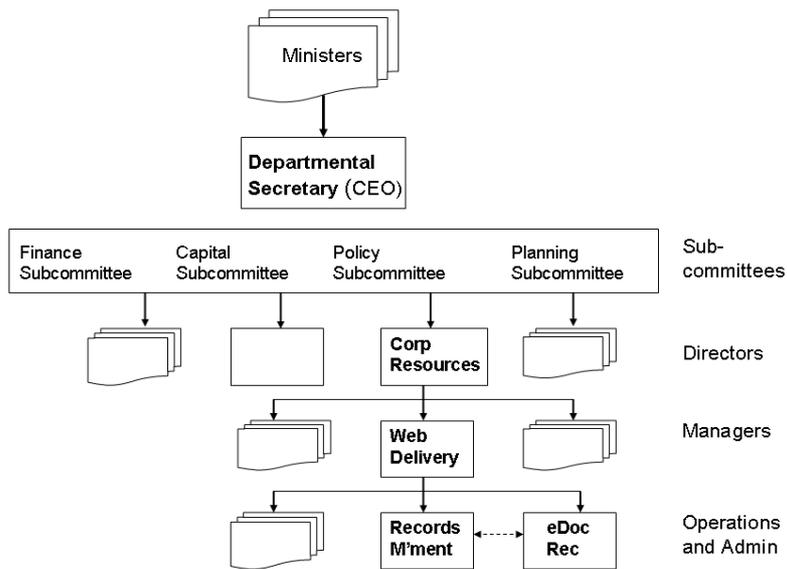


Figure 7.9 - Organisational structure for Department 1

7.12.3 Values and Culture

Values of the Department 1 (as stated on the web-site) are focussed on teamwork, diversity, integrity, commitment, and innovation, and *“highlight the commitment to professionalism; and the provision of innovative and integrated strategic advice and project delivery consistent with a triple-bottom-line framework.”*

The mission of Department 1 is *“to lead, in collaboration with stakeholders and the community, strategic planning, integration, development and management”* of all aspects of the portfolio.

Department 1 appeared to have family-friendly HR practices, supporting part-time work, flexible and reduced hours, provisions for family leave and leave over school holidays.¹⁵

Until recently, each Department in the Region pursued its own purchasing and selection of IT solutions, leading to a high level of inefficiency Region-wide. The central Office of the Chief Information Officer (OCIO) had begun to develop strategies for establishing and publishing standards for IT hardware, methodologies, software and support at the time of my research.

Physical arrangements were as follows:

¹⁴ On Department 1’s web-site and current at June 2005.

¹⁵ These conditions were described to me during ‘coffee’ with the Business Owner.

- Relatively modern, light and airy accommodation.
- Open plan general accommodation, with offices for managers.
- Meeting rooms seemed to be in high demand, particularly those with equipment such as electronic whiteboards.

7.13 Project Description

The project was an IT project, whose main objective was to deliver a single department-wide electronic document and records management solution, that complied with standards defined (and being defined) by the regional Office of the CIO (OCIO). The solution had been implemented in other parts of the Department as well as in other departments, so the project team was leveraging off this experience. My research was based on the pilot phase of the solution, to be deployed in two key areas of Department 1.

7.13.1 Project Type

Using the Project Typology Continuum defined by Briner, et al., (1996), this project can be classified as Occasional, with unclear objectives and poorly defined processes to achieve them. Project roles and relationships, and structures were clearly defined through the close management of the Business Owner, and risks were known to exist, but not necessarily how to manage them. The attributes of delivering major change put the project in the middle of the continuum closer to the High Visibility end; the project was moderately risky, and not well supported by their stakeholders (Briner, et al., 1996). To achieve success in this type of project, the project manager, closely supported by the Business Owner needed to focus more on managing the extensive community of stakeholders, with close monitoring and reporting of progress.

The Goals and Methods Matrix Model (Turner and Cochrane, 1993), would describe the project as Type 2 with goals well-defined and methods poorly defined. In this model, Type 2 projects must develop methods to achieve success as they go, with milestone planning and reporting essential for control but flexibility being important. This was the project manager's first IT project; the Business Owner, who had had the role of Business Owner on many previous projects, controlled the schedule, budget and reporting. The Business Owner imposed methods and control on the project.

In the NCTP Framework based on the four dimensions of novelty, complexity, technology, and pace, the project can be categorised as medium novelty, medium technological uncertainty, regular pace, and medium complexity. It was medium novelty because its objective was to digitalise and automate storage and retrieval of paper records, and medium technology uncertainty and medium complexity because of the multiple integrations with existing projects and databases. The project is defined in Figure 7.10.

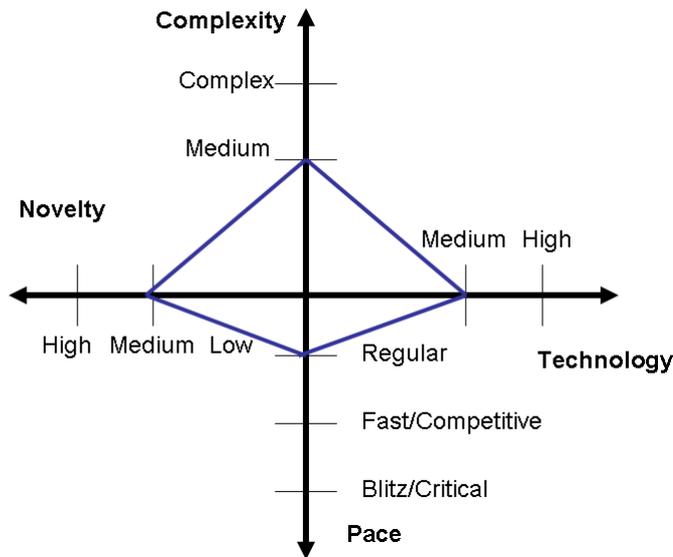


Figure 7.10 - NCTP Framework for eDocRec

For this type of project the project manager requires technical and administrative skills, and a *less firm* management style but tight and formal control on technical, schedule and budget issues, with frequent communication and informal interactions.¹⁶ The recommended PM style fits with my assessment of the Business Owner’s personal style of control, although the need for a more flexible management style did not fit. The PM had good administrative skills and the ability to find support for technical solutions to fill the gap on technical skills needed for this project. In this case, the combination of controlling Business Owner and personable project manager was ideal for success according to this Framework.

7.13.2 Objectives and Drivers

The drivers for developing an electronic document and records management system was a recognition by the Regional government of the need to expand their capability for digital

¹⁶ Chapter 2 provides more information about this method of managing different types of projects

storage and more efficient retrieval of their documents and records.¹⁷ eDocRec was a direct result of this recognition.

The Business Owner stated that the objectives of the *Proof of Concept* are: “*to ensure that all needs can be met for people in the department through a combination of the information, technical environment, policy and guidelines that all from part of the solution.*”

The Project Charter for eDocRec stated that there was a:

“*clear and growing need for a single department-wide electronic document and records management system, that leverages off [software package] being used in other departments. There are significant benefits, but strong senior level commitment of time and resources is required, for project success.*”

The objectives of the system and indicators of a successful ‘pilot’ implementation included development of:

- *“Technical architecture*
- *Infrastructure requirements*
- *User Interface Assessment*
- *Classification Structure*
- *Design and Configuration*
- *Communications and Change Management plans*
- *Resources and Timelines”*

Evaluation of success would include: “*user feedback, analysis of change of user behaviour [for document storage] and plans for provision of support for a department –wide model.*”

One of the outputs of this “*proof of concept*” would be financial and technical data for the development of a Business Case for department-wide implementation.

7.13.3 Lifecycle

The research covered this ‘pilot/proof of concept’ phase. The terminology for the phase changed over the time that I was involved with the project. Initially it was ‘proof of concept’, but as scope and objectives changed from gathering data for a Business Case to “*seeing if it would work*”, the terminology changed as well.

¹⁷ *The Age*, April 2005, p5

7.13.4 Levels of Support

The Business Owner had the experience and political maturity to ensure that adequate senior management support was garnered for success of this phase. There was less enthusiasm from areas that had been selected for the pilot. There seemed to be some ongoing dispute between Business Owner's group and one of the groups selected for the pilot.¹⁸ For administrative and political reasons this particular group was the most appropriate for assessing the relevance of this system for the Department, however, the level of support and co-operation was significantly lower than was optimum. The other group was reasonably supportive. *“A third group, the Reference group, will participate throughout [the Proof of Concept] including development of the requirements, being informed of progress and final evaluations.”*

7.14 Project Organisation

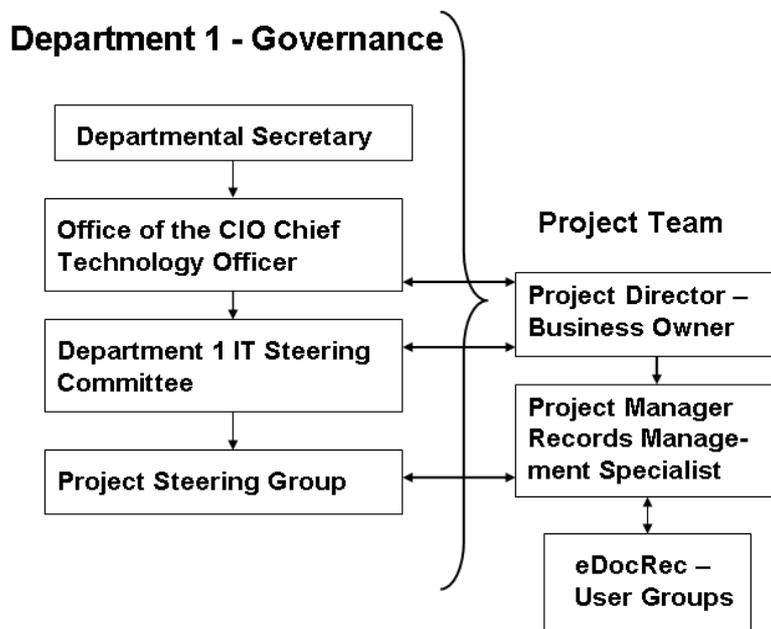


Figure 7.11 - Project Organisation for eDocRec

7.14.1 Project Governance

Project governance was provided through a number of different groups. The Office of the CIO (OCIO) had been given accountability for developing standards in the area of IT, covering infrastructure, software and hardware, as well as training and accreditation. The Chief Technology Officer leading this group was significant in driving the development of the application to comply with newly developing standards. The concept of newly-developing standards was both advantageous and disadvantageous for the project: disadvantageous

¹⁸ Reported to me at 'coffee'

because the strategy for developing standards had not been agreed at that stage, there was a risk that the platform and software might not comply with the standard. On the other hand, to develop a solution that may only have a two-year life was acceptable as an interim implementation while the standards were being developed and agreed.

Other governance bodies were the Department 1 IT Steering Committee that was the decision-making body for IT projects in Department 1. A further group, the eDocRec Steering Group, also known in earlier documentation as the ‘Reference Group’, consisted of business unit representatives from all areas of Department 1, and in particular those business units who would most benefit from a successful implementation of the solution. The purpose of convening this group was for support and eventual ‘buy-in’ from users, requirements definition, and approval of scope and provision of appropriate resources.

7.14.2 Business Owner

The project was actually led by the Business Owner, who was operating in a role that other organisations would describe as project director. With extensive experience as the business representative for many important projects in the history of the Department, she was politically astute, and understood the importance of targeted communication and management of important stakeholders.

The Business Owner described her management style as “*hands on.*” Contractors working for her described her as “*controlling.*”¹⁹ She attended all project management meetings, and led any reporting or presentations on the project’s progress, especially to her peers or her managers.

At the time of the research, Business Owner was an Assistant Director, having worked in Regional Government departments all her career. From planning and executive support roles, she moved into the role of business ownership of IT projects that were being developed in the Department, and, “*found that I was good at it, and that I liked it.*”

She described her role as:

“*[project] champion, making sure that I keep on top of business needs with respect to the rest of the organisation, and being an advocate for the system. Communication is critical. The*

¹⁹ Reported at ‘coffee’ with colleague

focus is to understand all needs, and keep in touch and make sure this solution informs all work.”

She did appear to be an important and effective champion for the system; she knew Department 1’s culture and political structure, she was known and respected by her peers and her management, and was able to negotiate successfully around political and policy roadblocks to ensure that the project continued to enjoy support at the right level within the department. The project documentation, in particular the communications plan, was comprehensive and current, providing a good foundation for management of the project and its stakeholders.

7.14.3 Project manager

The project manager had no previous experience in projects, but was intelligent and politically astute and well able to garner technical support from the other areas of the department that had already implemented this solution and software. Her background was a science degree followed by an MBA and work experience as a business analyst in IT projects. *“The people I worked with and the outcomes of the work inspired me. I wanted to do more in this field; be captain of the team.”*

She described her role in this project as:

“classic project management: coordinating activities, recruiting resources, scheduling meetings and managing the timeline for the project and reporting and communicating. The major activity to date has been preparing for the first meeting of the Steering Committee.”

She had not been in the PM role long at the time of the interview. At subsequent meetings, she reported that she had been occupied with what she had described as being, *“a set of arms and legs for [the Business Owner]”*. She stated that the ‘classic project management’ role that she described in her interview was *“no different from general management”*. My interpretation of the role is that it was more like a project administration role than a project management role as defined in Chapter 2.

The Business Owner described the project manager’s role as:

“make it happen through managing project logistics, persistent follow-up on outstanding issues and meeting minutes, informal networking with the PM’s peer group and maintenance of the project documentation.”

7.14.4 Project team

The rest of the team consisted of the project manager as the only full-time team member, and part-time business analysts and specialists as well as representatives from the groups that were to be the pilot sites.

7.14.5 Sponsor

The Sponsor for this project was the Executive Director, line manager to the Business Owner. I only met the sponsor once during the entire period of my research; that was at the final presentation where I discussed the findings of the research. The Business Owner acted as a barrier to my meeting with the sponsor. The impression I received was that the Business Owner would make the Sponsor aware of the project’s issues and make recommendations about what needed to be done to resolve any issues. This was not necessarily a satisfactory situation from my perspective, but it seemed to be effective for Department 1 and the Executive Director.

7.15 Relationship Management

The Stakeholders identified by the project team through the methodology are shown in the *Stakeholder Circle™* in Figure 7.12.

7.15.1 Stakeholder Circle™ for eDocRec

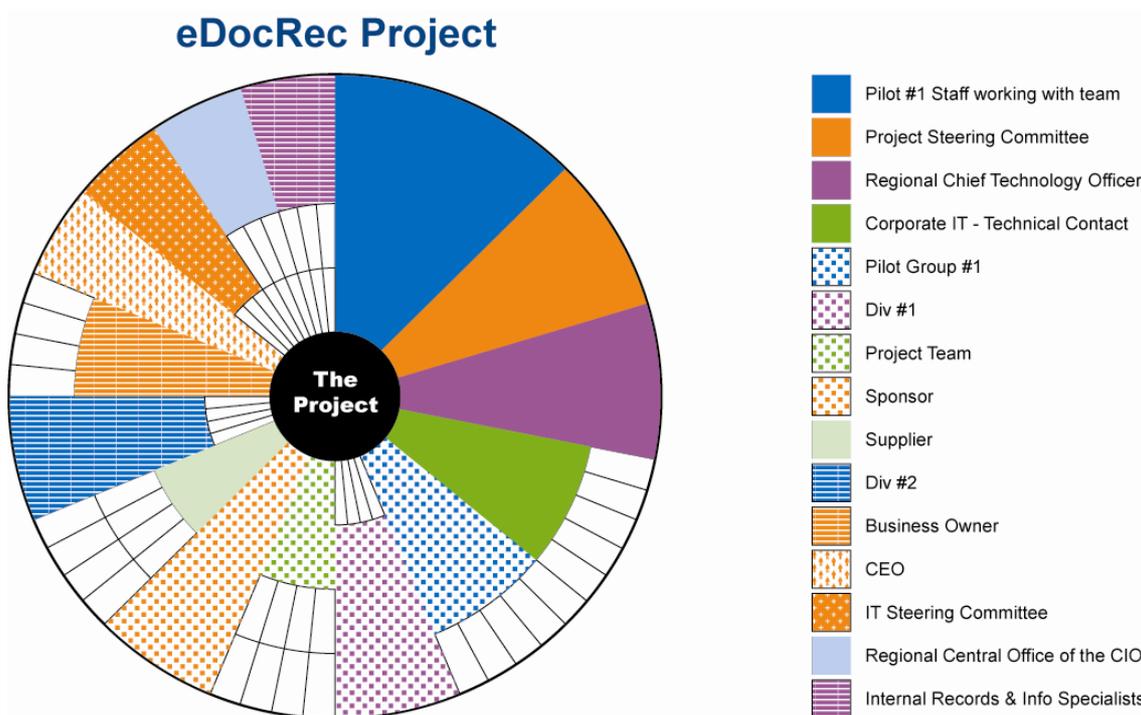


Figure 7.12 - eDocRec stakeholders

The top fifteen stakeholders identified and prioritised through the methodology are listed in Table 7.4 in order of priority with their ‘direction of influence’.

Table 7.4 - Summary of key relationships for eDocRec

Priority	Key Stakeholder	Direction of Influence	Role in Project Organisation
1	Staff from pilot site #1 working with the project team	Outwards – power to ‘kill’ the project	Staff from a regulatory division in Department 1, with power to recommend discontinuance of the project
2	Project Steering Committee /Reference group	Upwards – power to ‘kill’ the project	Executive decision-making body, and high-level advocacy. Representing business issues to the project. Removal of ‘roadblocks’
3	Regional Chief Technology Officer	Sideward - power to ‘kill’ the project	Recognition that project complies with emerging software standards. Provision of advise and consultancy
4	Corporate IT – Technical consultant	Downwards	Technical knowledge and assistance with coordinated implementation
5	Pilot Group #1	Outwards	Support from this powerful division in its official capacity is essential for project success.
6	Division #1 major project	Outwards	The major project managed by this division used a records management solution based on the same software as eDocRec. Cooperation and knowledge transfer from this division is essential for project success
7	Project team	Downwards	Responsible for work to deliver project success
8	Sponsor	Upwards – power to ‘kill’ the project	Provision of adequate funding and high-level support and advocacy
9	Supplier	Downwards	Responsible for work to deliver project success
10	Division #2	Outwards	This division implemented a records management solution based on the same software as eDocRec. Cooperation and knowledge transfer from this division is essential for project success
11	Business Owner	Upwards	‘Champion’ of the project, advocacy and intercession for the project
12	Departmental Secretary (CEO)	Upwards – power to ‘kill’ the project	High-level support and advocacy for the project
13	IT Steering Committee	Upwards	High-level support and advocacy for the project
14	Regional Central Office of the CIO	Outwards	Recognition that solution complies with emerging software standards
15	Internal Records and Information Specialists	Sidewards	Engagement and ‘buy-in’ to ensure successful implementation

In this *Stakeholder Circle*TM the combined instances of ‘outwards’ (5) and sidewards’ (2) (contractors, users or peers) are slightly higher than the instances of ‘manager’ (5), while instances of ‘team’ are moderate (3). Those with power to ‘kill’ the project include not only

three ‘managers’, but also one ‘outward’ group and one ‘sideward’ group; this is the only *Stakeholder Circle*[™] that displays stakeholders other than managers who have power to ‘kill’ the project. The three groups that have most power and influence are one ‘manager’, one ‘outward’ group and one ‘sideward’ group.

7.15.2 Managing stakeholders

Under the management of Business Owner, stakeholder management was well conducted. The Business Owner understood how to identify and engage stakeholders in the *upwards* direction – senior management, and the *outwards* direction – in particular potential users of the system, the administrative and records management staff. The project had a comprehensive communication plan, with the targeted stakeholders – senior management and end users – listed, with key messages and schedules for communications points in place to ensure these planned communications occurred.

7.15.3 Communication

The project team, under the lead of the Business Owner, had developed a communications plan, as a standard part of project documentation. This communications plan included messages that were tailored to the needs of each audience. It included plans for Steering Committee meetings and presentations to other senior management forums as well as briefing sessions and training programs designed to ensure that the users of the system understood the objectives and outputs of the system and the benefits to the users of the implementation. This project was well supported by regular contact with stakeholders and proper development of appropriate messages

7.15.4 Project success

The Business Owner defined a successful project as:

“one where all stakeholders understand the scope of the project, where they fit in, how they must commit [to project success] and users have their needs met. Success will be achieved through good communications, appropriate engagement from all stakeholders, senior management support, continuity of resources, a full-time project manager, competent suppliers, and continuous engagement and support of senior management after implementation. It is also important to have a strong focus on risk management. The corollary of this – an unsuccessful project is one where there are not the right people, no clear owner, no clear roles and responsibilities and no clear plan or scope.”

The project manager describes project success as: *“one that delivers the desired results, improves business and allows me to learn.”*

7.15.5 ‘Politics’

The Business Owner described her networking efforts within Department 1 and other departments that she was in contact with peers through cross-department working parties or training. While she had a busy schedule of formal meetings, she would *“use informal networks with colleagues to fill information gaps. Adhoc corridor conversation or telephone calls with senior managers wherever appropriate. For formal communication, my style is clear, concise, and focussed.”*

It was clear to me in the interviews, informal ‘coffee’ meetings, and observation that the Business Owner was skilful and resourceful in managing the political aspects of her role both within the department and on behalf of the project.

The project manager describes politics as: *“the ability to influence decision-makers.”* She regarded the Business Owner as skilled in working the political environment and looked to her for *“guidance on the politics of Department 1 and previous projects.”*

7.16 eDocRec – Summary

The eDocRec pilot had not been implemented when I had my final meeting with Business Owner. There were significant technical integration problems that were occurring in every instance of implementation of this software package. The package had been considered as the software basis for the emerging records management standard, but at that stage its fate was under a cloud.

7.16.1 Researcher Reflection

I worked with this project and the Business Owner for almost a year, from the time we first made contact to the final presentation in April 2005. The project was the best example of a well-managed IT project, with good documentation and led by an individual, the Business Owner, who had the appropriate attributes, according to the NCTP model, for managing this type of project.

The designated project manager was operating in an apprenticeship mode, being directed by Business Owner in project administration activities, but also learning about stakeholder management and organisational politics by observing the Business Owner in action.

The Business Owner obtained senior management support for participation in my research by turning it into a learning and personal development experience. She was more receptive to the nuances of the methodology, because she had mastered the standard methods for management of stakeholders. She was impressed by the idea of ‘mutuality’, the ‘directions of influence’ allowing her to think beyond the usual management and user stakeholders. She incorporated many of the refinements of the methodology into her project management process and procedures. She invited the project reference group to my final presentation, and stated at that meeting that she had incorporated many of the ideas into her procedures.

At our final ‘coffee’ meeting as we were discussing the outcome of the pilot, she talked about technical issues around integration with other Department 1 systems, which actually meant that the pilot was never actually implemented. However, the manual processes for document and records management and the archival taxonomies had been refined, approved and implemented. She regarded this as symbol of success for the project; a sophisticated view not often expressed by any stakeholder of a project.

There were some interesting dynamics in the project relationships as defined in the *Stakeholder Circle*TM for Department 1. This project was the only one that had stakeholders with power to ‘kill’ the project with ‘direction of influence’ other than upwards. In this project there were two non-management stakeholder groups that had this power: the Pilot staff (outwards) and the Chief Technology Officer (sideways). These aberrations will be discussed in more detail in Chapter 9.

7.17 Summary of Iteration 2 Case Studies

The two construction projects were medium budget (less than \$20 million) construction projects to re-develop existing infrastructure within a local government environment. The City Hall re-development had fewer external stakeholders, but a volatile internal situation involving staff accommodation. Builder was not required to manage the stakeholder community; this was the role of an internal project, which will be discussed in detail in the next chapter.

On the other hand, the City Mall Re-development had a large number of external stakeholders, many of whom the project team could not only not identify, but could not be certain that they had actually been able to deliver any message to. This, as with any project of this nature, means that there will be stakeholders who will respond negatively once impacted. These will usually be members of the general public, who whilst they should be considered key to project relationship success, will not actually have much effect on the success of the project, or even on the perception of success.

The third project, a business IT project would come into the less than \$1million bracket for cost. Being a project to be implemented in a traditional, complex regional government organisation, there was a complex and unusual stakeholder community to be managed. The Business Owner rather than the project manager was primarily instrumental in understanding the composition of the project's stakeholder community and developing appropriate communication strategies and action plans to manage project relationships for project success.

Looking at the two models, the Project Typology Continuum and the Project Goals and Methods Matrix, the two construction projects seem to conform to the typical model for construction projects: objectives well-defined and methods known. The methods of the project manager for managing them seem also to comply with the requirements of these models. The IT project seem closest to product development type than an IT type of project; the skills and experience of the Business Owner and were most appropriate to the theory of project management according to these model.

The picture developed by the application of the NCTP model were different in all cases, mainly because of the extremely complex nature of relationships around the City Mall project

and the medium level of complexity of technology of eDocRec. It was the level of eDocRec's complexity that caused it to not meet its agreed schedule. At the time of my final presentation to Department 1 the pilot had been postponed indefinitely due to infrastructure issues, and poor response from the vendors who given higher priority to other projects. In the case of this project, while the project management requirements defined in the NCTP framework were met, the technology issues still caused the project to not deliver according to the original agreement; the issues for eDocRec were related to the vendors, listed as #9 in importance on the *Stakeholder Circle*TM.

While the models presented by the *Stakeholder Circle*TM were also quite different, because of the differences in structure of the organisations themselves, and of the views of key relationships in the stakeholder community as well as the different views of the nature of those relationships and the nature of the projects themselves. This will be discussed in more detail in Chapter 9 of this dissertation.

Chapter 8

Projects of Iteration 3 – ‘Validation’

The Town Hall Accommodation Case

The Knowledge Net Case

This chapter summarises qualitative data gathered from research conducted with two projects in two Australian organisations to address research question 4: *How willing and capable are the project manager and project team to use the Stakeholder Circle™ methodology and visualisation tool to engage with their key stakeholders?* These projects participated in Iteration 3 of the development/refinement cycle of the *Stakeholder Circle™* methodology and tool; this was the ‘validation’ phase. Chapter 6 described the project that was in the Iteration 1 cycle – an Asset Management System, and Chapter 7 described the three projects that were part of the Iteration 2 cycle.

As in Chapters 6 and 7, these projects will be categorised using three major typologies: the Project Typology Continuum (Briner, et al., 1996), the Project Goals and Methods Matrix (Turner and Cochrane, 1993) and the NCTP Framework (Shenhar and Dvir, 2004), discussed in Section 2.2. The chapter starts with an overview of the two case studies, summarising the type of organisation each project is operating within, the background of the project manager, and the project’s organisation and type. This is followed by summarised details of qualitative data obtained.

8.1 Overview of the Iteration 3 Case Studies

Two case studies: a staff accommodation project for Council 1, and a program to develop the necessary infrastructure and integration of existing databases to deliver a web-enabled knowledge network for Department 2 are summarised in Table 8.1 below.

Table 8.1 - Summary of Iteration 3 projects

Case	Type of Company	Project Organisation	Background of PM	Project Type
Council 1: Town Hall Re-development staff accommodation change	Local Government	Change Manager experienced in accommodation change issues.	PM has engineering background – experienced in construction projects	<i>Occasional, High Visibility AND Type 4</i>
Department 2: Knowledge Net	Regional Government	4 project managers in a program led by Program Manager	PM interviewed had PRINCE2 accreditation and long-term career in technical IT	<i>Open, High Visibility AND Type 4</i>

8.2 Case Study Description – Town Hall accommodation

See Section 6.3 for a description of the Council 1 organisation, its structure, and culture. The Town Hall Re-development project from the builder’s perspective is described in Section 7.3.

8.2.1 Gaining Access and Making Contact

Towards the completion of my research in Council 1, I was asked by Council 1’s Functional Manager ‘J’ who had participated in the workshops for Asset Management System to conduct a stakeholder identification workshop with colleagues managing a staff accommodation project. This accommodation project was part of the Town Hall Re-development. ‘J’ had been assigned the role of change manager by the CEO who recognised the importance of this project and also recognised the capability of ‘J’ to fulfil the role.

I was pleased to be able to conduct this additional and unplanned workshop for two reasons. The first reason was to give something back to Council 1 for their generosity and support during my research there; the second reason was to get an additional perspective of the project relationships on the Town Hall Re-development project.

The workshop was conducted efficiently through the combined input of the change manager, the client project manager, and the staff representative, who were also the project team.

8.2.2 Values and Culture

The values and culture of Council 1, in particular the *web culture*, were described in Chapter 6. It was the fostering of principles of the *web culture* and the requirements of the *Client Requirements Brief* described in Chapter 7 that influenced the design for staff accommodation for the new building.

8.3 Project Description

Staff accommodation requirements from the *Client Requirements Brief* was: “to develop office accommodation for the staff to facilitate working relationships both vertically and horizontally, to maximise staff efficiency, and to support the web culture”, developing through the change program of Council 1.¹

The overall design was for open staff accommodation, with offices provided only for the CEO and the Councillors. Ample provision of meeting rooms and spaces was to be a feature of the design.

8.3.1 Project Type

Using the Project Typology Continuum defined by Briner, et al., (1996), this project is classified as ‘Occasional’, with relatively clear definition of outputs, but a low level of structure and formality, and a moderate level of project ‘knowhow’. Council 1 CEO had seconded ‘J’ as Change Manager. ‘J’ was experienced in managing business change projects, and the client project manager who was usually responsible for engineering projects, was experienced in the project management techniques of managing schedule and budget. Staff accommodation issues will always be difficult because of the uncertainty it engenders for the staff impacted. There were to be at least two moves, the first into temporary accommodation, the second into the new or re-furbished accommodation in an open office plan environment. The project was categorised as High Visibility, being high risk, impacting staff in a major way, and affecting many stakeholders (Briner, et al.. 1996). To achieve success in this type of project, the (part-time) project manager must take a flexible approach with the other (also part-time) project team members, and must be willing to continually re-create the project objectives and environment. Constant communication of news about staff moves and accommodation was essential for success of this project. This was the approach that ‘J’ planned to take.

The Goals and Methods Matrix Model (Turner and Cochrane, 1993), described the project as Type 4 with both goals and methods poorly-defined. In this model, Type 4 projects have the highest chance of failure because their goals and methods are not known and are poorly–

¹ The *web culture* and the change program being implemented in Council 1 is described in Chapter 6 as part of the description of Council 1’s values and culture.

defined, and require a high level of flexibility of approach and constant consultation of stakeholders.

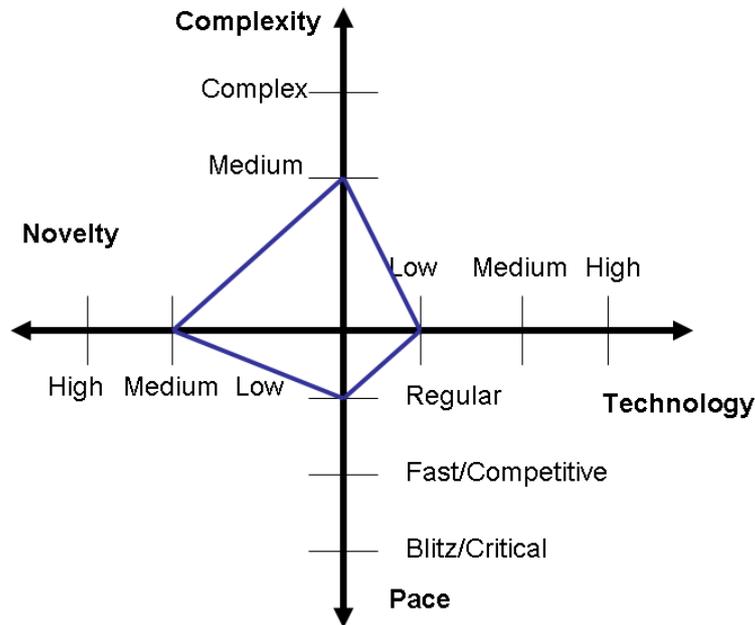


Figure 8.1 - NCTP Framework for Council 1 accommodation project

The NCTP Framework (Shenhar and Dvir, 2004) based on the four dimensions of novelty, complexity, technology, and pace, categorised the project as medium novelty, low technological uncertainty, regular pace, and medium complexity. It was medium novelty because of the innovative open plan office accommodation strategy being developed and medium complexity because of the complex nature of stakeholder issues and the need to integrate with the more complex schedule of the construction project. The project is defined in Figure 8.1. For this type of project the project manager requires technical and administrative skills, and a *less firm* management style but tight and formal control on technical, schedule and budget issues, with frequent communication and informal interactions.² The recommended PM style fits with my assessment of the combined skills and experience of ‘J’ and the client project manager.

8.3.2 Objectives and Drivers

The objectives of the project were to ensure that staff moves were made efficiently and with least disruption, and that the accommodation being designed for the new building met the needs of management and staff. The drivers of the project were stated by Council 1 as:

² Chapter 2 provides more information about this method of managing different types of projects

“The project [is to improve] and consolidate administration and community access at the Town Hall, with expanded offices and consolidation of community service staff to [another location in Council 1]. Community meetings will also be held at the end of May as a forum for providing more information and public debate on the project.”³

8.3.3 Lifecycle

The research was conducted in the planning stage of this project; the construction project was still in design and consultation phase. While accommodation issues were part of Builder’s overall plan, they had passed responsibility for the major planning and implementation to staff representatives. Council 1 had to lodge a planning application for the Town Hall Re-development project. This was an interesting phenomenon: *“the Council has dual roles – as planning applicant and the planning authority.”*

8.3.4 Levels of Support

Council 1 management wanted to please the Councillors with a world-class building at ‘low’ cost; there was also recognition of the need to ensure that staff were consulted about the accommodation plans to ensure that their needs were included in the accommodation strategy. At the time of the *“Value Management Workshop”*, staff support was low, the staff representation at this workshop stated: *“At this stage I will not endorse the plan and will not recommend it to the staff.”* This statement was the trigger for the CEO to appoint ‘J’ as Change Manager for the staff accommodation project. In an effort to understand who key stakeholders were, ‘J’ asked to have a *Stakeholder Circle*TM developed for the project. It is shown in Section 8.4.3.

8.4 Project Organisation

The project organisation describes the project governance arrangements, the client implementation groups, and the extended project team. The project team consisted of the project manager, members of the project team, contractors, and consultants. Figure 8.2 shows the relationships of the staff accommodation project through the project organisation chart. The major relationship was between the Builder project manager, the Project Implementation Group and the staff advisory group.

³ *Diversity*, April 2004, p4

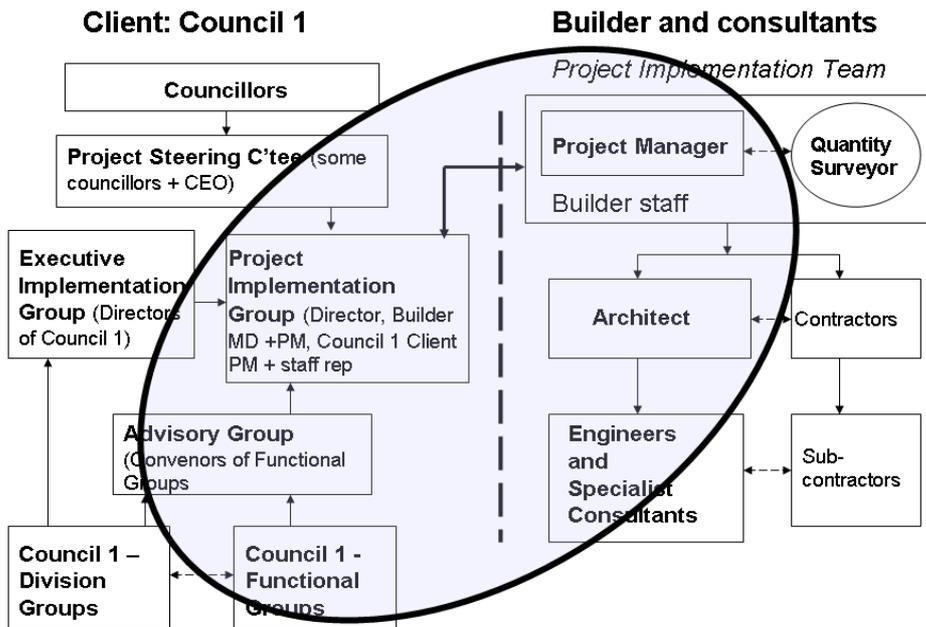


Figure 8.2 - Project organisation for staff accommodation

8.4.1 Project Governance

As shown in Figure 8.2, there were a number of committees and group contributing to the governance of the Town Hall Re-development project. Within the governance framework, the staff accommodation project was considered to be part of the construction project.

8.4.2 Project manager

The (client) project manager of the Town Hall re-development project was described by the change manager as being “*highly respected and extremely experienced*” in construction projects of this type. He dealt with Builder’s project manager and team as well as staff representatives on a daily basis. There were three members in this team (including ‘J’).

8.4.3 Project team

The project team consisted of the client project manager, described above, a staff representative, who worked in the GIS section of Council 1 and who had volunteered for the role, and ‘J’ in his seconded role of change manager. Both the client PM and the staff representative report to the project manager for the Asset Management System in her Asset Strategy role.

8.4.4 Sponsor

The sponsor for the project was also the sponsor for the Asset Management System. He played an active role in this project; participating in meetings with other executives in the

Executive Implementation Group, and in the Project Implementation Group which consisted of the project director and project manager from Builder and the three member project team for the accommodation project. He stated that in his view it was imperative that, “*the accommodation issues are resolved.*”

8.5 Relationship Management

The Stakeholders identified by the project team through the methodology are shown in the Stakeholder Circle™ in Figure 8.3 below⁴.

8.5.1 Stakeholder Circle™ for the project

The Stakeholders identified by the project team through the methodology are shown in the Stakeholder Circle™ in Figure 8.3 below.

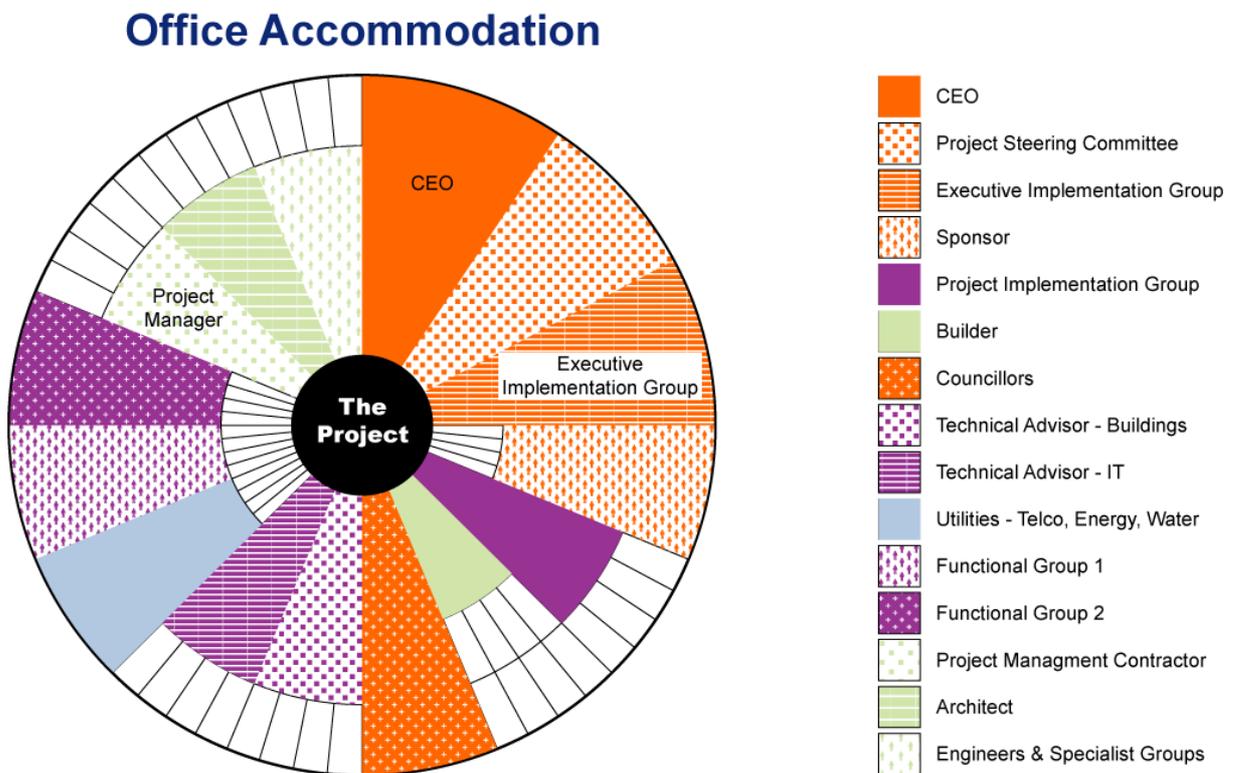


Figure 8.3 - Stakeholder Circle for Council 1 accommodation project

The top fifteen stakeholders identified and prioritised through the methodology, in order of priority with their ‘direction of influence’ (Bourne, 2004) are shown in Table 8.2.

⁴ See Chapter 4 for detailed descriptions of the methodology and its use.

Table 8.2 - Summary of key relationships for staff accommodation project

Priority	Key Stakeholder	Direction of Influence	Role in Project Organisation
1	Chief Executive Officer	Upwards – power to ‘kill’ the project	Sponsor of Town Hall project; manages Council 1 on behalf of Council
2	Project Steering Committee	Upwards – power to ‘kill’ the project	Executive decision-making body, representing the Councillors and therefore the residents and ratepayers of Council 1
3	Executive Implementation Group	Upwards – power to ‘kill’ the project	Executive decision-making body, constitutes the Senior Leadership Team of Council 1.
4	Project Sponsor	Upwards	Sponsor of the staff accommodation project; high-level advocacy
5	Project Implementation Group	Sideways	Focus of the project, represents interest of both client and technical
6	Builder	Downwards	Deliver good quality building
7	Councillors	Upwards – power to ‘kill’ the project	Elected representatives of ratepayers and residents; approves budget and works program
8	Technical Advisor - Buildings	Sideways	Key representative of staff. Ensure ‘business as usual’ throughout the project; within specialty (eg records management, staff accommodation) best facilities available
9	Technical Advisor - IT	Sideways	Key representative of staff. Ensure ‘business as usual’ throughout the project; within specialty (eg records management, staff accommodation) best facilities available
10	Utilities – Telco, water, energy	Outwards	Provision of essential services
11	Functional Group – IT and communications	Side wards	Provider of essential internal services
12	Functional Group – Community Access	Side wards	Group most affected by accommodation refurbishment
13	Project Management contractor -Builder	Downwards	Essential liaison
14	Architect	Downwards	Meet client brief for high-quality, functional, environmentally sustainable
15	Engineers and Specialist Groups	Downwards	Meet client brief for high-quality, functional, environmentally sustainable

In this *Stakeholder Circle*TM the instances of managing outwards or sideways (contractors or peers) occur most frequently, instances of ‘manager’ occur only slightly less frequently, and instances of ‘team’ occur only slightly less frequently. The *Circle* is quite balanced. Four of the five ‘managers’ have power to kill the project; only managers have the power to ‘kill’ the project, the CEO has most power and influence, while the Sponsor is not perceived to have power to kill the project.

8.5.2 Managing Stakeholders

The project was in the “*just do it phase*”, according to ‘J’, where “*a well-managed change is essential for success.*” Because the CEO has stipulated that the new accommodation was to be designed to support and “*enhance web behaviours*”, open plan accommodation using new workstation designs and technology had been selected. ‘J’ viewed one of his most important roles in this project as communication. He planned to ensure staff were advised of all changes. He had also planned to set up a ‘mock’ work area to allow staff to “*get a feel for how it is going to be.*” He had visited other organisations that had recently implemented the system that he was recommending; he was able to communicate his enthusiasm to staff in presentations that he had given.

8.5.3 Communication

The accommodation project team elected not to participate in an Engagement Management workshop; ‘J’ had attended the Asset Management System workshop and had already incorporated this methodology into his communication strategy. Both the ‘J’ and the project manager had been involved in accommodation projects previously and understood the need for a well-planned communication strategy that called for frequent, targeted communications right throughout the project. All three members of this project understood the need to develop strong, regular and effective communications plans and to use the influence of others (either peers or managers) when they felt they were unable to influence individuals themselves.

I did not get the opportunity to interview ‘J’ in depth, but understood his approach to be that of ensuring key stakeholders were identified and acknowledged. He felt the *Stakeholder Circle*[™] was a useful tool and methodology to achieve this – he called it a “*neat tool*”, in an email that he sent to me after the workshop.

8.5.4 Project Success

The sponsor’s view:

“Success can sometimes mean they are finished. For an engineer, it is about the process of moving from the idea to functional and built and users are happy with it. From an engineering view it is the process, from the management view it is the thrill of getting it done.”

The Change Manager’s view:

“meeting the expectations of management for good technical support for the web culture, and good design. The staff know what is going to happen before it does, they get a chance to have their say and then when they move in they can settle down and do their job well.”

8.5.5 ‘Politics’

I knew from working with ‘J’ in the two Asset Management System workshops and the one accommodation project workshop, that he was pragmatic, understood the need for ‘politics’ and was willing and capable to work within the organisational culture to achieve success for his project. The CEO, in an informal conversation about my research also commended ‘J’ as someone whose opinions and work he (the CEO) valued highly.

8.6 Town Hall accommodation summary

This project was not really a project in its own right, but a sub-project of the larger Town Hall re-development program. Many of the key stakeholders of the larger program were also key stakeholders for the accommodation project.

8.6.1 Researcher Reflection

In many ways this was the easiest of all the projects I worked with. ‘J’ was a ‘champion’ of the methodology and was experienced in its use. He led the other two project team members but was open to their ideas about the relativities of power, proximity, and urgency of the stakeholders that had been identified. From my point of view, having another perspective on the relationships within this Town Hall project added to the richness of the data being collected.

8.7 Case Study Description – Knowledge Net

Department 2 was part of the Regional Government and brought together Government activities concerned with reform, administration and enforcement of the law in the Region.

8.7.1 Making Contact and Gaining Access

I made contact with the Executive Director Knowledge Strategy through an RMIT colleague. The first contact, a message left with the Executive Director's Secretary, was made late May 2004. This message was followed by an email with the research brief as an attachment. The conversation with the Executive Director took place the next day, and he agreed immediately, but said, "*I need to speak to the PM.*" The agreement was that the PM would call me later that week. After a number of calls back to the Executive Director's office, I was given the name and phone number of the project manager, and began attempts to contact him. Six weeks later I was at the stage where I was ready to abandon attempts to work in Department 2; the PM phoned and requested a meeting. He was very interested in the research, but was leaving Department 2 to begin a role with the Office of the CIO. He did not know who his successor would be, but promised to recommend the research to the new PM.

I made contact with the new PM four weeks later; he was about to take four weeks leave. Once again I was prepared to abandon the idea of research in Department 2. However, the new PM on his return contacted me and requested a meeting. Once again I presented the research brief, and once again the PM was interested in participating, but "*had a few things to sort out first.*"

By September 2004, with many promises from Department 2 but still no action, I had put the idea of doing research in that organisation aside; I had had four very good case studies almost complete and had reached the stage with the development of the *Stakeholder Circle*TM methodology and tool where there were only minor changes to be made as a result of work with participant organisations. That was when the Executive Director's secretary contacted me to set up a meeting with him for the interview he had agreed to in May; she also arranged a time for me to interview a project manager on the project Knowledge Net. I interviewed the PM in September 2004, the Executive Director in October 2004 and finally the program manager in November 2004. I interviewed the program manager in addition to the usual interviews of sponsor and PM because it had become clear in the workshops that he played a pivotal role in the management of the Knowledge Net program; it was necessary to gain his

views of project success and stakeholder management to complement the data I had collected in the other two interviews.

8.7.2 Structure of the PM’s Organisation

Department 2 was headed by the Departmental Secretary (CEO) reporting directly to the four Ministers with Divisions reflecting the responsibilities of the portfolios of these Ministers – the elected representatives of the Region. The common purpose of the department is to assist the Government achieve its “*vision of a safe and just [Region]*”⁵

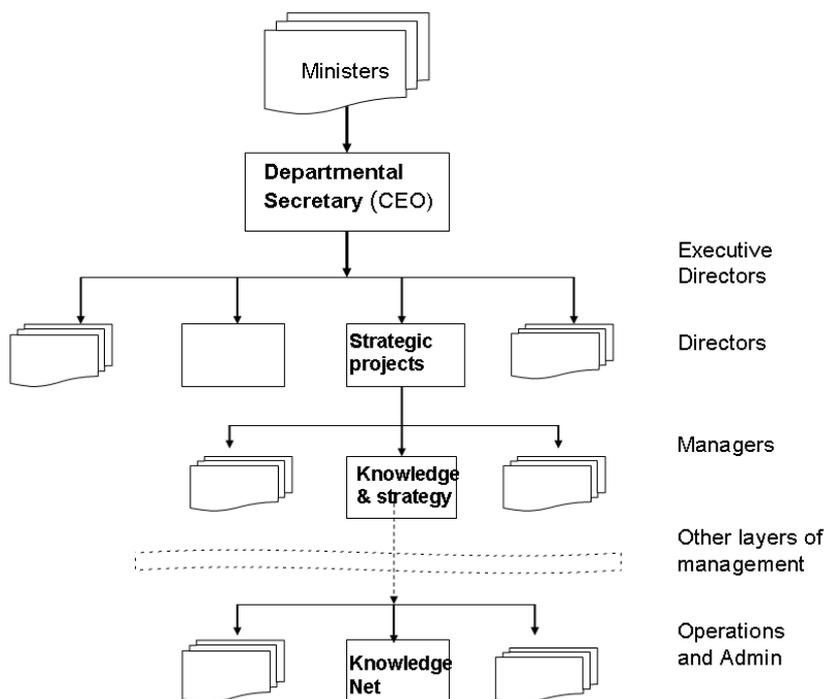


Figure 8.4 - Organisation of Department 2

The structure of the part of Department 2 relevant to this case study is shown in Figure 8.4 . There were more layers between the executive levels and the level of the project; they are shown as ‘other layers of management’.

8.7.1 Values and Culture

Department 2’s web-site states:

“Staff from across the department have worked together to develop a set of corporate values which capture the essence of who we are and, just as importantly, what we aspire to be. These

⁵ From the web-site.

values play a critical role in creating a workplace which staff enjoy and where they feel valued.”

The values of the Department were focussed on providing citizens with, *“safer communities, reducing inequality, promoting rights and respecting diversity.”*

Department 2 appeared to have family-friendly HR practices, supporting part-time work, flexible and reduced hours, provisions for family leave and leave over school holidays.⁶

Physical arrangements in the two floors of Department 2’s headquarter (HQ) building were as follows:

- Traditional ‘public service’ office setup. Quite a few small offices, some used as meeting rooms.
- Many awards in the Technology Services reception area for Technical Service, Customer Service.
- Open plan general accommodation, with offices for managers.
- Meeting rooms appear to be in short supply

8.8 Project Description

The Knowledge Net program was intended to support the Department’s knowledge strategy by providing an online information exchange platform allowing the entire Department’s Business Units to access information resources through a browser interface. Later stages were proposed which would enable access to others outside the Department. Stage 1 was focussed on developing the knowledge portal infrastructure and integration of platforms into a single access point, as well as systems development and integration, and Business Unit content delivery. The project managers from two projects within the program participated in the *Stakeholder Circle*TM development workshops; these projects were knowledge infrastructure development *“knowledge exchange platform”* and the integration project to incorporate existing systems and databases into the program.

8.8.1 Project Type

Using the Project Typology Continuum defined (Briner, et al., 1996), the two projects within the program that are part of the research could be classified as Open, with unclear objectives

⁶ These conditions were described during the interview with the PM.

and poorly defined processes to achieve them; and where project relationships, structures and risks were not well known. The attribute of delivering major change put the projects closer to the High Visibility end of the continuum, the projects are high risk, but not well supported by stakeholders, and moderately critical to organisational survival (Briner, et al., 1996). To achieve success in this type of project, the project manager must integrate the work of the many specialist team members, and maintain measurement and control throughout the project, while be able to be adaptive and flexible to take account of the R&D nature of the project.

The Goals and Methods Matrix Model (Turner and Cochrane, 1993), would define the projects as Type 4 with goals well-defined and methods poorly defined. In this model, Type 4 projects must develop methods to achieve success as they go, with milestone planning and reporting essential for control, but flexibility being just as important.

In the NCTP Framework (Shenhar and Dvir, 2004) based on the four dimensions of novelty, complexity, technology, and pace, the projects can be categorised as medium novelty, medium technological uncertainty, regular pace, and medium complexity. It was medium novelty because the objective was to provide an online information exchange platform allowing the entire Department's to access information resources through a browser interface. It was categorised as medium technology uncertainty, because of the need to integrate multiple databases and to develop infrastructure to support this; it was rated as 'medium complexity' for the same reason. The project is defined in Figure 8.6.

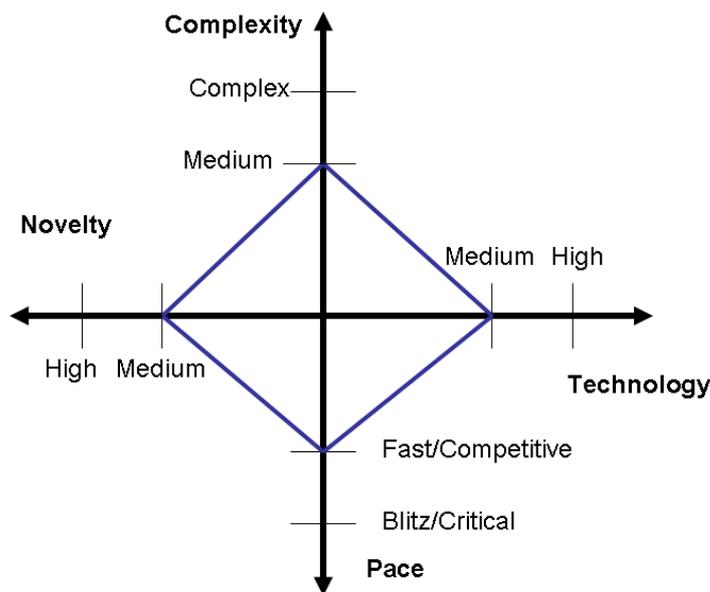


Figure 8.5 - NCTP Framework for Knowledge Net

For this type of project the project manager requires technical and administrative skills, and a *less firm* management style, but tight and formal control on technical, schedule and budget issues, with frequent communication and informal interactions.⁷

8.8.2 Objectives and Drivers

The Knowledge Net Business Case defines the program objectives:

“[Knowledge Net] will provide a window on corporate information assets, regardless of where they are held in the Department without the need to re-package or migrate them into new environments ... It will be a key enabler in the Department’s knowledge strategy. It will provide a focal point for building and accessing the Department’s knowledge base, cultivating its vital people networks and providing users with easy access to the tools they need for their job.”

The drivers are defined:

“There are three basic sets of drivers which are pushing the Department towards the adoption of more embracing and functionally rich portal technologies:

- *The complexity and diversity of the Department*
- *The inherent limitations of our current technology platforms*
- *The demand by users to get more out of systems usage”*

8.8.3 Lifecycle

The research was conducted during the pilot phase of the program, with the Business Case approved and technical effort being focussed on developing a robust infrastructure and reliable integration of existing databases.

8.8.4 Levels of Support

The Executive Director, the sponsor and instigator of the Knowledge Net program was very supportive of the project in his role as Chief Knowledge Officer. However, as he stated in the interview he had many other responsibilities, and could not give Knowledge Net the focus that it needed. The impetus of the concept of Knowledge Net had only recently improved; it had been well supported by the previous Departmental Secretary, but it had taken over 18 months for the new Secretary to see the need for this technical support for Knowledge Management in the Department.

⁷ Chapter 2 provides more information about this method of managing different types of projects

The project team and their technical specialists were very passionate about the outcomes, however, they felt that their needs were not being adequately addressed in the current governance structure.

The managers of the pilot sites were relatively supportive, but were concerned about potential disruption and the time that resources were required to work with the project team.

The Business Case described support from potential users of Knowledge Net as “*wait and see.*”

8.9 Project Organisation

Department 2 - Governance



Project Team

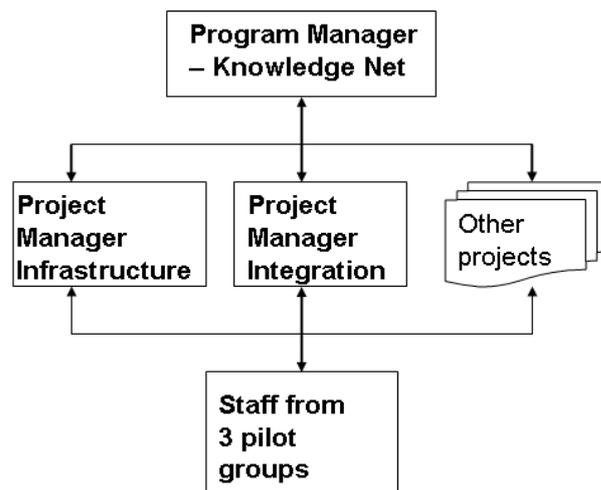


Figure 8.6 - Knowledge Net project organisation

The project organisation for Knowledge Net was defined in terms of governance within Department 2. The project organisation was top-heavy, with requirements on the project team to provide multiple reports and attend committee meetings.

8.9.1 Project Governance

As shown in Figure 8.6, Knowledge Net’s governance consisted of the Knowledge Management Committee (KMC) comprising the Departmental Secretary, a number of Executive Directors and Directors of the parts of Department 2 that were directly involved in the outcomes of the program or who had assigned significant resource to the project; a Project

Board with the role of Steering Committee; the business sponsor and managers of groups designated as pilot groups. In many cases there was overlap – members of the KMC also had an individual interest in the progress of the pilot.

The result of this governance structure was a requirement on the project team to report at different meetings and in different formats. Often the Program manager represented the project team at these meetings; sometimes the individual project managers were required to attend as well as, or instead of, the program manager. In the words of the sponsor:

“Really the key governance accountability Board for the project is the Knowledge Management Committee. We report regularly, the project reports regularly, to the Knowledge Management Committee. I’m the architect of the agenda for that Committee, so it is pretty easy for me to ensure that it is always on the agenda and that it has appropriate priority, but I leave it to the PM to prepare the status reports and present them to the Committee, so that they are hearing directly from the project team rather than through me. That Committee by the way has all our top executive members, plus key BUs representatives on it, so it is a very senior and representative body.”

8.9.2 Program Manager

The program manager had been new to the role during my research in Department 2. He had understood the situation prior to his being assigned to the role as one of governance groups and individual stakeholders requiring adhoc, multiple and divergent reporting from the project managers. He had been in the process of revising reporting process and managing stakeholder expectations to reduce pressure on the project managers.

8.9.3 Project manager

The program had a number of PMs, two of whom participated in the workshops. They report to the program manager, who then managed communication to the program’s stakeholders. The project manager that I interviewed had begun her career as a programmer and thus had been working in the IT industry all her working life, transferring to project management some years previously. She had also worked for the Regional Government in various Departments all her working life. She has attended project management training courses and had recently gained certification in the project management methodology that the centralised Office of the

CIO (OCIO) had standardised on Region-wide – PRINCE2⁸. She clearly understood the importance of informal communication and influence as an important means of achieving project ends.

She defined her role as:

“day-to-day management of task and problems to achieve the long-term plan (coming from the Business Case and project plans developed from the Business Case). Each PM has developed their own work plans. I have resources that had been working on the [other projects] as well.”

8.9.4 Project team

The project managers worked together effectively, often sharing resources both technical and business, and did not seem to have any full-time project resource to support their work, and there were, *“three technical resources supporting the two projects [in the program]”*.

“The team works well because there is openness, trust ... professionalism that underlies the working relationship ... Managers of [necessary] resources provide people with skills to support the project, but it depends on the priority of the project.”

8.9.5 Sponsor

The Sponsor for the program was the Director of IT Strategy and Knowledge – the Chief Knowledge Officer (CKO). This sponsor was a strong advocate for the program; ensuring roadblocks to project success were removed and was supportive of both the projects and the project managers, but was subjected to the competing demands of his other responsibilities. He left the organisation before I had finished my research there. He had expressed interest in using the methodology in the Department and had supported my access to key individuals and data. His replacement, now shown as sponsor on the *Circle*TM, had held another important role in the project, but since my data collection had been completed before the departure of the previous sponsor, I do not know how supportive he might have been or how aware he was of the methodology and its uses.

⁸ **PR**ojects **IN** Controlled **E**nvironments - Project Management Methodology developed by the OGC – Office of Government Commerce (UK)

8.10 Relationship Management

The Stakeholders identified by the project team through the methodology are shown in the Stakeholder Circle™ in Figure 8.7 below.

8.10.1 Stakeholder Circle™ for the project

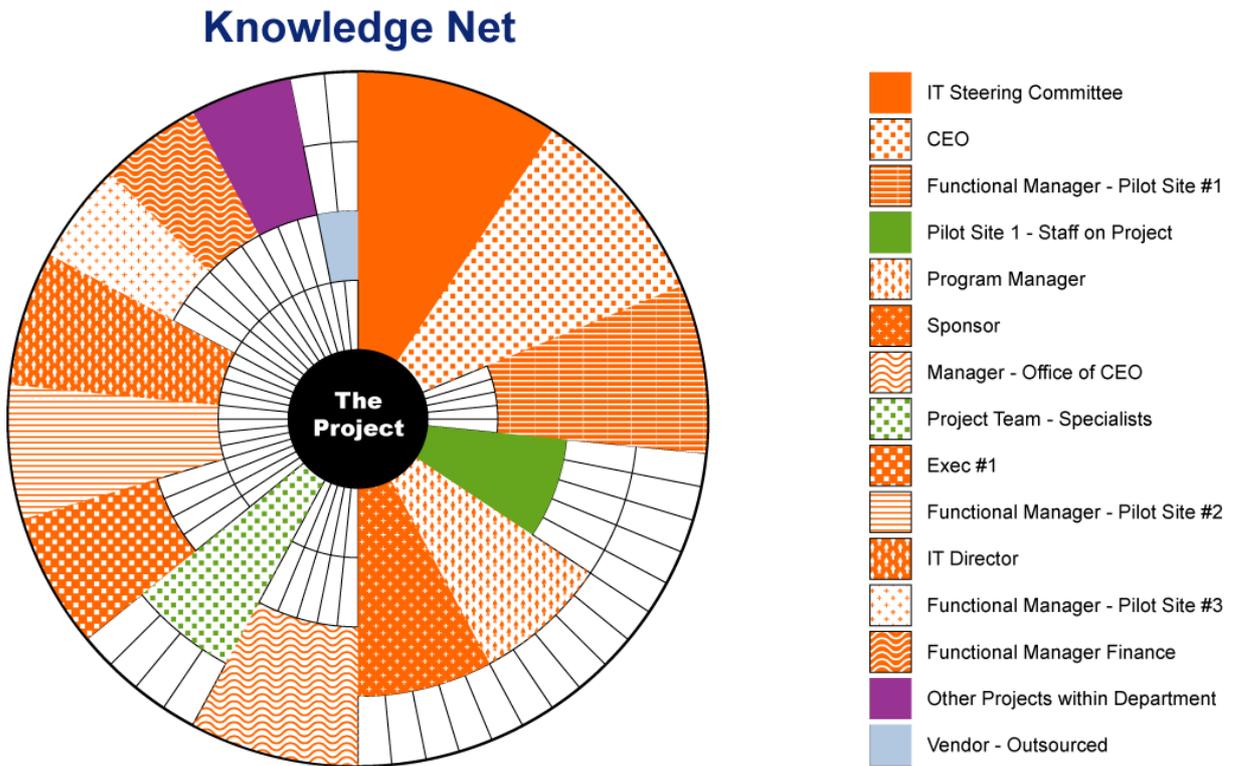


Figure 8.7 - Knowledge Net stakeholders

The relationships pictured in Figure 8.7 are summarised in Table 8.3, showing priority number, the ‘direction of influence’ of each stakeholder of group and the nature of the relationship with the project.

Table 8.3 - Summary of key relationships for Knowledge Net

Priority	Key Stakeholder	Direction of Influence	Role in Project Organisation
1	Knowledge Management Committee (KMC)	Upwards – power to ‘kill’ the project	Directing body for knowledge initiative and its project implementation
2	Departmental Secretary (Chief Executive Officer)	Upwards – power to ‘kill’ the project	Ultimate authority in Department 2: member of KMC
3	Functional Manager Pilot site #1	Upwards	Essential for stage 1; provision of resources
4	Pilot site #1 – staff on project	Downwards	Subject Matter Expert (SME) on aspects of project: sole practitioner of processes

			and procedures for this business content
5	Program Manager	Upwards	Responsible and accountable for delivery of the project.
6	Sponsor	Upwards	Owner of ‘vision’; champion of the project
7	Manager, Office of the Secretary	Upwards	Gatekeeper to Departmental Secretary
8	Project team - specialists	Downwards	Subject Matter Expertise; irreplaceable skills and knowledge
9	Exec #1	Upwards	Conduit to Secretary, KMC member
10	Functional Manager Pilot site #2	Upwards	Essential for stage 1; provision of resources
11	IT Director	Upwards	Provides technical resources; ‘owns’/responsible for technical infrastructure
12	Functional Manager Pilot site #3	Upwards	Essential for stage 1; provision of resources
13	Functional Manager Finance	Upwards	Controls capital expenditure
14	Other projects within Department 2	Sideways	Competition for resources
15	Vendors outsourced	Outwards	Subject Matter Expertise; skilled resources

In this *Stakeholder Circle*TM the instances of ‘manager’ are overwhelmingly greater than any of the other ‘directions of influence’, with instances of both ‘team’ and ‘peers and contractors’ very low. The two ‘managers’ who have power to kill the project, IT Steering Committee, the CEO and the Manager of Pilot site #1 all have equal power and influence.

8.10.2 Managing Stakeholders

The sponsor stated:

“The primary stakeholder group is the Secretary and Executive Committee. It is a corporate knowledge resource that we are trying to create, it is being funded corporately, it is meeting needs of a corporate strategic initiative, and in the design and delivery of the project we need to make sure that we deliver against expectations in terms of corporate style, corporate content as well as the more explicit knowledge area objectives of the Portal. Second set of stakeholders really revolves around the BUs [Business Units], the managers, and the staff. They are really the primary user groups.”

As can be seen both from the project organisation chart in Figure 8.6 and the *Stakeholder Circle*TM for Knowledge Net, most project relationships are in the direction of ‘upwards’. For the program manager this meant meetings:

“Regular meetings with Executive Director of project [the CKO⁹]. He sits on KMC¹⁰, and is a conduit to this group. There is a very small window of opportunity to provide information to this group, and few opportunities to ask questions about the project. It is difficult to get a good communication going.

One-on-one meetings with CKO (now left) were status reporting meetings – what happened in the last two weeks, but usually informed him as things were occurring outside these fortnightly meetings. I sought information about changes in direction, based on what is happening in CIO¹¹ and CTO¹², changes in direction and in particular, projects that have been initiated or approved, to ensure forewarning of likely impacts on [Knowledge Net]. Planning meetings tagged on back of these meetings. We [the project team] tried where we could to fit into the Business Unit plans.”

8.10.3 Communication

The program manager and the two project managers who attended the first workshop also participated in the Stakeholder Engagement workshop to define the appropriate communication strategy for Department 2. It appeared that the program manager was the conduit for the project communication upwards – using a reporting tool that aggregates schedule and budget details with other important information. This was delivered to the sponsor to report to the senior management of Department 2.

The project sponsor discussed communication:

“Well a lot of that is informal, the use of the Committee is formalised, but a lot of this is discussion, feedback, checking on how things are going, and keeping open lines of communication so people feel they can raise issues. It’s not just communicating about the things that are going wrong, it is talking about and acknowledging things that are going per plan or expectation, or even surprises in terms of new benefits we weren’t expecting, or things that go beyond people’s expectations. So it’s partly creating a climate for recognising that those sorts of observations are important and to flow amongst the team and upwards so that they can be taken note of. And they are the things that are not always possible to capture in formal reporting.”

⁹ Chief Knowledge Officer

¹⁰ Knowledge Management Committee

¹¹ Chief Information Officer

¹² Chief Technology Officer

8.10.4 Project Success

The project Sponsor defined project success as:

“First of all one that delivers on its mission, and the closer it can get to its vision, even better. There is a difference between mission and vision. And by delivering on its mission, I mean to deliver the benefits that it was intended to do. And to be able to do that within time and budget is obviously a measure of success as well. There is not a lot to be said for projects that run on time and on budget but don’t deliver the benefits. Every significant project in our Department should go through a Business Case assessment process, which looks at reasons why it is to be done, what are the attributed benefits, both quantifiable and unquantifiable, how they align with the strategic plan and the priorities of the organisation. Really asking the ‘what if ‘ or options questions - if we put opportunity cost here what are we going to sacrifice by not being able to do in the same period. So a measure of success of a project has to be holding it true to that original objective, and so the benefits that have been pledged, because the organisation has made a commitment to resource the project so the effort, the return needs to be measured against that. From the point of view of the participants in the project, another measure of success for me would be what they have learned from the experience and the degree to which those learnings have been shared elsewhere in the organisation. Where they could be of value.”

The program manager’s view:

“On time and budget BUT the benefits from the Business Case have been delivered. How senior management will know that benefits have been delivered is through continually revisiting these benefits in the light of deliverables from the [Knowledge Net] project. Show users practical ways that they can benefit. Electronic information speedily and easily accessed.”

The project manager’s view:

- *“Delivers outcomes that all stakeholders are happy with and can work with*
- *Meets stakeholder goals*
- *Delivers scope to acceptable quality (timely and within budget constraints)*
- *Technically stable*

How do you know what these stakeholder requirements are? In the case of this project, they are gathered at analysis stage and recorded in the Business Case.”

8.10.5 ‘Politics’

The project sponsor:

“I think it is pretty explicit in our organisation. If you don’t have political nous you won’t make a good manager or a leader. It is one of our leadership and management competencies. I think it is called ‘political astuteness’, I think, by memory. And that means a number of different things: it means not being subservient to the policies of the government of the day, Understand what the ministers’ priorities and directives are. It also means understanding organisational politics what is important in terms of the executive team’s priorities. For that matter your boss’s priorities. And probably the third level, perhaps not quite so explicit, it means understanding organisation and team dynamics. Where more personal or shadow politics gets played out in an organisation.”

The project manager:

“I do not do politics a lot. The program manager works more ‘managing upwards’. I have been in [Department 2] for a long time and know many people. We do it [politics] if we have to. I know who to go to for initial understanding of technical issues and am prepared to discuss issues and their potential resolutions informally before the formal processes are used. Processes are processes, if you can’t talk to a person about issues (or progress of issues) you are wasting your time. I do politics indirectly, preferring to talk rather than have an ‘email war’. Important to resolve issues over coffee.”

8.11 Knowledge Net Summary

Despite the short data collection period, much data were collected. The project relationships uncovered in the research through interviews, observation, analysis of documentation and from the results of the *Stakeholder Circle*TM workshops all pointed to a situation where senior management dominated the relationships around the project/program.

8.11.1 Researcher Reflection

Despite the difficulties of gaining access to Department 2, some very interesting data emerged. Department 2 was a very traditional hierarchical conservative organisation, but was implementing a modern program to facilitate the dissemination of knowledge and information within the Department and eventually outside.

I had actually abandoned the idea of working within Department 2; without the last minute interest of the sponsor, I would not have made any further contact with them after four months of unsuccessful contacts. However, it was the data shown by the unique Knowledge Net *Stakeholder Circle*[™] that caused me to understand that there was more value in the visualisation tool that I had first expected. This additional value will be discussed in the next chapter.

Chapter 9

Inter-Case Analysis

Six case studies of five projects from five Australian organisations were described in Chapters 6, 7 and 8. There were two construction projects, three IT projects and one business project. The descriptions covered each organisation, the project type, organisation structure and relationships and each project's unique *Stakeholder Circle*TM. This chapter presents an inter-case analysis of these projects. The analysis will look at similarities and differences between the cases and addresses research question 4: *How willing and capable are the project manager and project team to use the Stakeholder Circle*TM *methodology and visualisation tool to engage with their key stakeholders?* The other area of comparison will be the components of the case studies.

Section 9.1 presents an analysis of the data relating to the research questions and objectives and discussion of these findings. Results of the application of project typology models with the *Stakeholder Circles*TM will be examined in Section 9.2 to assess the relative merits of both the typologies and the *Stakeholder Circle*TM. In Section 9.3 the stakeholder communities described for each project will be compared with each other in an examination of any additional value of the *Stakeholder Circle*TM for project management.

9.1 Capability of the project team

Capability is defined in this dissertation as ability or competency and refers to the ability to use data obtained through the *Stakeholder Circle*TM methodology and visualisation tool for effective management of relationships between the project and its stakeholders.

The capability of the project team members and their sponsors was assessed from information about interviewees' background, experience, and techniques for communicating with stakeholders. Data on PM experience is summarised in Table 9.1. This summary covers five projects; there was no interview conducted with the project manager of the Town Hall accommodation project; it was a last minute addition to the research and was conducted as a favour to 'J' in Council 1 who was extremely supportive of my work there.

Table 9.1 - Summary of participant PM experience

Organisation	PM skills and experience	View of PM as a career	Organisation's view of the value of project management
Council 1 (IT project)	No PM experience; management role in functional area	Caretaker and facilitator until vendors took over	Council 1 operationalised to deliver services and infrastructure to residents; no understanding of the value of well-managed Project Management.
Builder (construction project)	First PM role after contract manager roles; this was stretch assignment	Expected to take on more and more challenging projects; career move	Project Management essential to success of all work; 'stretch assignments' supported with mentoring from more experienced staff
Council 2 (construction project)	Background landscape architect.	Ready to move on to more technical architect roles and to move away from Project Management	Project Management essential to success of Council's work. All graduates given PM roles as first assignment(s)
Department 1 (IT project)	First project after many management roles (contractor)	Expected to continue in PM roles	Standards of PM training and methodology is being developed region-wide to replace diverse standards. General acceptance and support for Project Management
Department 2 (IT project)	Experienced in PM and accredited PRINCE2 practitioner; came to role through programming and systems analysis	Expected to continue in PM roles	Standards of PM training and methodology being developed region-wide to replace diverse standards. Project work not viewed as onerous – myriad reporting requirements caused additional work for projects.

Where the project manager was inexperienced in the role, there was guidance and support provided by a mentor or senior manager to assist in the stakeholder management planning and implementation. The PMs of the two construction projects did not consider that their projects would benefit from the additional data collected through application of the methodology and tool. Council 1 took advantage of the exercise to develop a robust template of stakeholders and a communications plan tailored to the need of the Asset Management system. 'J' the change manager of the staff accommodation project, did the exercise specifically to ensure that the key stakeholders had been identified to allow him to produce an effective communication plan. Department 1 Business Owner amended the stakeholder management processes as a result of the workshops. Department 2 used the evidence of the *Stakeholder*

*Circle*TM for Knowledge Net – too much attention required from senior management¹ – to rationalise the reporting requirements.

The project teams and sponsors appeared to have an appropriate level of understanding of the need to manage their stakeholders more effectively and within the constraints of the policies of their organisations, adapted what they had learned to existing processes and procedures. Each project demonstrated that there was sufficient capability and experience within the project team to exhibit capability to manage project relationships enhanced by data or learnings resulting from the workshops.

The sponsor of the Knowledge Net project summarised the view of Department 2:
“ they have been selected on the basis of their capability to fulfil that particular role or task, and if they don’t have the skills that they receive the appropriate training and coaching. There has been a fairly significant amount of training associated with the project team, especially more on the technical side.”

This view is echoed by sponsors in the other organisations.

9.1.1 Willingness of the project team

Willingness is defined as being prepared to use the information collected from the workshops to engage key stakeholders in an appropriate way; by using the knowledge of each stakeholder’s expectations and requirements as developed in the Engagement Strategy to manage those essential project relationships. Data on communication strategies and views of ‘politics’ were collected through interviews with project managers and sponsors of projects and through informal ‘coffee’ meetings and observation.

The senior managers from all the organisations were highly experienced and understood the need for operating in the political environment of their organisations. The senior management view of ‘politics’ did not vary much in the interviews. It was best summarised by the sponsor of Department 2:

“I think it is pretty explicit in our organisation. If you don’t have political nous you won’t make a good manager or a leader. It is one of our leadership and management competencies. I think it is called ‘political astuteness’, I think, by memory. And that means a number of

¹ This will be discussed in more detail later in Section 9.3.

different things: it means not being subservient to the policies of the government of the day, Understand what the ministers' priorities and directives are. It also means understanding organisational politics what is important in terms of the executive team's priorities. For that matter your boss's priorities. And probably the third level, perhaps not quite so explicit, it means understanding organisation and team dynamics. Where more personal or shadow politics gets played out in an organisation."

Other sponsors have described their informal and formal communication networks with managers, peers, staff and external contractors and organisations; it was obvious from the interviews that they were politically astute, and needed to be to maintain their position and influence in their respective organisations. Council 1, as part of their change program was encouraging trusting communications between peers at the Director level through regular informal meetings; the sponsor for the Asset Management System stated:

"In the old days [peer collaboration] was stilted by competition. In the new environment, particularly in the less formal regular meeting with other Directors there is now the opportunity to talk about 'stuff' and seek advice form peers."

There was recognition within the sponsor group of this need for collegiality with peers, but Council 1 was the only organisation that was deliberately fostering it.

The project managers all understood what 'politics' was; they also all understood the need for it. Not all of them were willing to operate in the arena of 'politics'. The more experienced project managers recognised that 'political astuteness' was essential to ensuring stakeholders, particularly the more senior ones, were willing to support the needs of the project. All the PMs except for the PM of the Town Hall Re-development project, reported that they managed different stakeholders in different ways depending on the politics of the situation and the need for formal or informal communication, direct or indirect. Builder MD, who appeared to be well versed in the techniques of the political arena, was this PM's mentor; he would be encouraged to follow the lead of his MD, and develop skill and experience in this area.

From the data collected on willingness to operate within the political arena of organisations for project success, all but one PM reported that they were willing, and also appeared from their interviews to have the appropriate level of capability. Their sponsors all recognised the need for project managers to have a flexible set of communication techniques including

- Management and administration skills
- Ability to develop and manage complex documentation, frequent communication and budget and schedule control

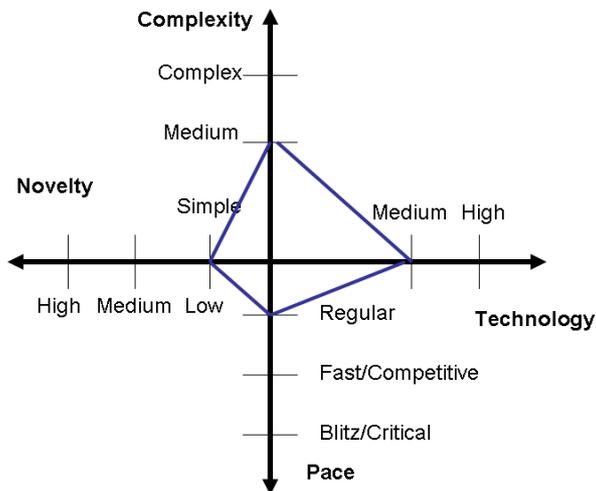


Figure 9.2 - NCTP framework - Asset Management System

The PM of this project seemed to conform to the combined appropriate style of the three models.

Town Hall Re-development

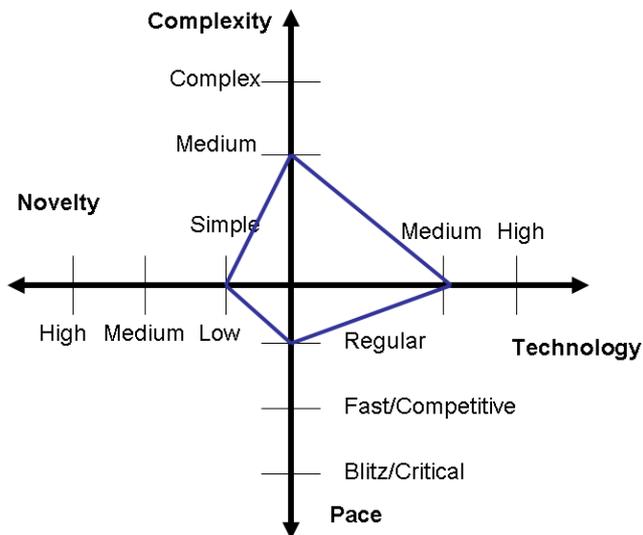


Figure 9.3 - NCTP framework for the Town Hall Re-development Project

The Town Hall Re-development project was rated as *Concrete, High Visibility AND Type 1*.

The most appropriate PM style resulting from this analysis is:

- Integration of diverse specialist

- Monitor and control closely

The NCTP framework shows that it is categorised as : *medium technology and complexity*.

The most appropriate PM style in this framework is:

- Management and administration skills
- Ability to develop and manage complex documentation, frequent communication and budget and schedule control

The PM supported by project director seemed to conform to combined suggested style of the models.

City Mall Re-development

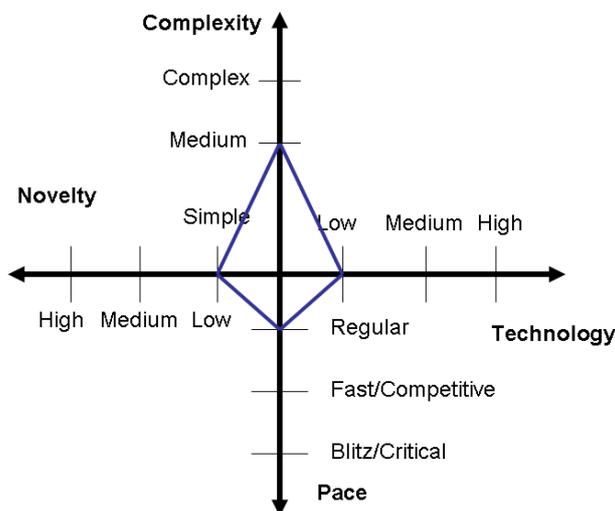


Figure 9.4 - NCTP framework for City Mall Re-development

The City Mall Re-development Project was rated as *Concrete, High Visibility AND Type 1* by the Briner, et al. (1996) and Turner and Cochrane (1993) models. The most appropriate PM style resulting from this analysis is:

- Integration of diverse specialists
- Monitor and control closely

The NCTP framework shows that it is categorised as: *medium complexity*. The most appropriate PM style in the Shenhar and Dvir (2004) model is:

- Ability to develop and manage complex documentation,
- Frequent communication, and budget and schedule control
- Technical skills and less firm management style

The PM supported by the stakeholder manager seemed to conform to combined suggested style of the three models.

eDocRec

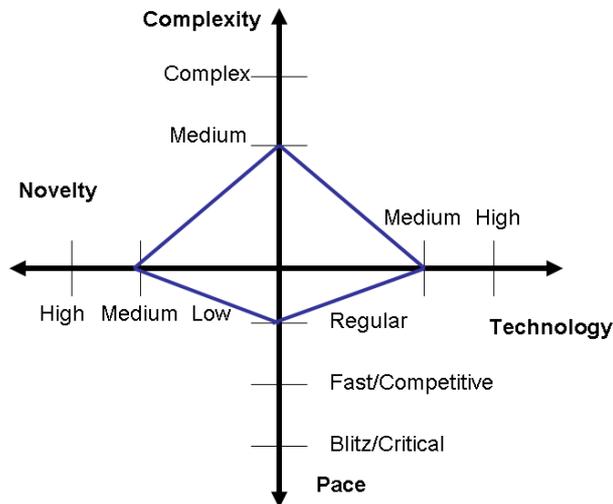


Figure 9.5 - NCTP framework for eDocRec

eDocRec Project was rated as *Occasional, High Visibility AND Type 2* by the Briner, et al. (1996) and Turner and Cochrane (1993) models. The most appropriate PM style resulting from this analysis is:

- Focus on managing extensive stakeholder community through appropriate reporting
- Milestone planning for control but flexibility in reporting frequency

The NCTP framework shows that it is categorised as: *medium technology, novelty and complexity*. The most appropriate PM style in the Shenhar and Dvir (2004) model is:

- Ability to develop and manage complex documentation,
- Frequent communication, and budget and schedule control
- Technical skills and less firm management style

The PM supported by the Business Owner seemed to conform to combined suggested style of the three models

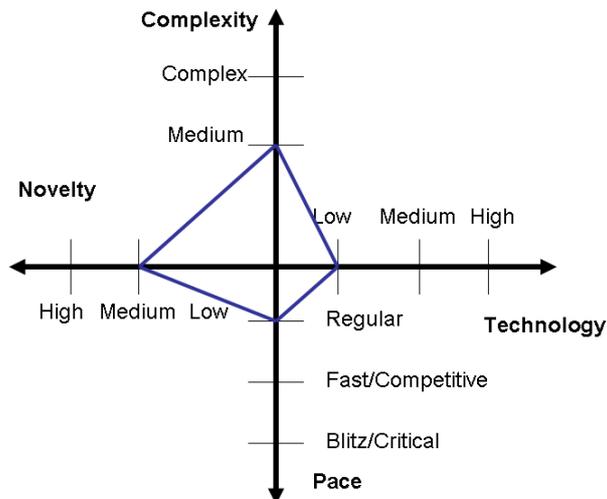
Town Hall staff accommodation

Figure 9.6 – NCTP framework for Town Hall staff accommodation

The Town Hall staff accommodation Project was rated as *Occasional, High Visibility AND Type 4* by the Briner, et al. (1996) and Turner and Cochrane (1993) models. The most appropriate PM style resulting from this analysis is:

- Focus on managing extensive stakeholder community through appropriate reporting
- Flexibility of approach

The NCTP framework categorises the project as: *medium complexity and novelty*. The most appropriate PM style in the Shenhar and Dvir (2004) model is:

- Frequent communication, and budget and schedule control
- Technical skills and less firm management style

The PM supported by the Change Manager seemed to conform to combined suggested style of the three models.

Knowledge Net

The Knowledge Net Project was rated as *Open, High Visibility AND Type 4* by the Briner, et al. (1996) and Turner and Cochrane (1993) models. The most appropriate PM style resulting from this analysis is:

- Continually create new objectives and environment
- Flexibility of approach
- Planning at milestone level
- Integration of specialists

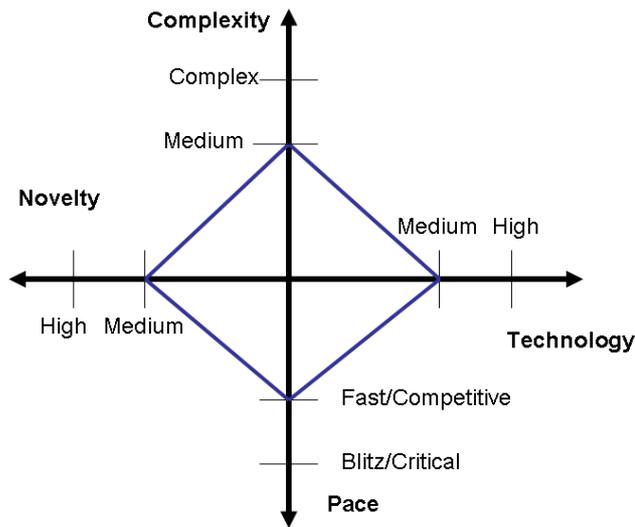


Figure 9.7 – NCTP framework for Knowledge Net

The NCTP framework shows that it is categorised as: *medium complexity, technology, pace and novelty*. The most appropriate PM style in the Shenhar and Dvir (2004) model is:

- Frequent communication, and budget and schedule control
- Technical skills and less firm management style
- Ability to develop and manage complex documentation,
- Frequent communication, and budget and schedule control

The PM interviewed supported by the other PMs and the program manager seemed to succeed in all but communication management which was too complex because of the multiple requirements to report to senior management in the organisation.

9.2.2 Summary of effectiveness of project typology models

From the data collected through the research to test the project typology models of Briner, et al. (1996) and Turner and Cochrane (1993), there seemed to be no special insights offered about the participant projects and how to manage them. The models suggested certain project management styles that were intuitive for managing the different types of projects and nothing else. The methods of selection of project types were too open to be useful. In all of the projects, the project manager supported by another member of the project team was able to manage in the way suggested by the model. Since the PMs didn't consult the model it appears that the PM and the PM's management understood the requirements intuitively. It may have been useful in the early 1990s to provide suggestions for management techniques, but over

time, the profession seems to have absorbed this lesson and is more focussed on managing characteristic of projects such as those used in the NCTP framework.

The NCTP framework (Shenhar and Dvir, 2004) did offer new insights from the point of view of project characteristics through an examination of the novelty, complexity and technology uncertainty of the project solution, and the pace at which it was expected to be delivered. Although the suggestions for management of the project were listed, decisions sometimes needed to be made among conflicting suggestions such as combining the need for good administration skills with good management skills, flexibility with control. These dichotomies cannot usually be found in one person, however experienced, but in all projects discussed in this section the necessary combination was often offered by an additional member of the project team with skills that complemented those of the PM and so made it possible to manage in the suggested way. Following the suggestions of the NCTP model would help project managers and their teams to develop an appropriate management style.

There was one other conclusion that could be made in examining the projects' NCTP frameworks. In every case except for the Asset Management System, the project manager was supported by another individual who seemed to have complementary skills. Often the supporting individual was also the manager of the PM as in Town Hall Re-development eDocRec and Knowledge Net. In the City Mall project and the staff accommodation project the PMs were assisted by a specialist – stakeholder manager and change manager respectively. The PM of the Asset Management System was supported by her manager, the sponsor of the project, but from a perspective of working within the political structure of the organisation and not the management of the project. The PM of the project had developed appropriate management qualities in her previous management roles and was able to understand what to do and where to seek help if needed.

9.2.3 Comparing project structures

There may be a connection between the shape of the NCTP model and the *Stakeholder Circle*TM and other structures and models that can describe a project. In this section additional data about the value of the *Stakeholder Circle*TM will be assessed through comparisons between models developed to describe the project: *Stakeholder Circle*TM, NCTP framework and the project organisation chart. Table 9.2 summarises the project structures.

Table 9.2 - Summary of project structures

Project	Organisation structure	SHC description	NCTP framework	Project organisation Chart
Asset Management System	Figure 6.1	Figure 6.4	Figure 6.2	Figure 6.3
Town Hall Re-development	Figure 7.1	Figure 7.4	Figure 7.2	Figure 7.3
City Mall Re-development	Figure 7.5	Figure 7.8	Figure 7.6	Figure 7.7
eDocRec	Figure 7.9	Figure 7.12	Figure 7.10	Figure 7.11
Town-Hall staff accommodation	Figure 6.1	Figure 8.3	Figure 8.1	Figure 8.2
Knowledge Net	Figure 8.4	Figure 8.7	Figure 8.5	Figure 8.6

Asset Management System

In examining the NCTP framework for the Asset Management System, I tried to see congruent patterns between the structures and the *Stakeholder Circle*TM. As expected, the stakeholder community defined by the *Stakeholder Circle*TM included all the individuals and groups from the project organisation structure. As will be discussed later in this chapter it is the unexpected inclusions that are more enlightening. One aspect of the NCTP framework that was reflected in the *Stakeholder Circle*TM was the inclusion of technology specialists, their management and the Information Management Group as the guidance body for an IT system that was assessed as having medium technological uncertainty. Similarly, the complexity of the implementation of the systems was addressed through the inclusion of the staff and management of the areas affected by the implementation of the system.

Town Hall Re-development project

The NCTP framework for this project was the same as the NCTP framework for Asset Management System, both being medium complexity and technology uncertainty. The stakeholder community defined by the *Stakeholder Circle*TM included all the individuals and groups from the project organisation structure. One aspect of the NCTP framework that was reflected in the *Stakeholder Circle*TM was the inclusion of architect and engineering specialists, necessary to develop appropriate designs and implementation strategies for managing the complexities of the project.

City Mall Re-development

The stakeholder community defined by the *Stakeholder Circle*TM included all the individuals and groups from the project organisation structure. One aspect of the NCTP framework that

was reflected in the *Stakeholder Circle*TM was the inclusion of the traders, authorities and other stakeholders that contributed to the complexity of the implementation of the project.

eDocRec

The NCTP framework for this project showed medium novelty, complexity and technology uncertainty. The stakeholder community defined by the *Stakeholder Circle*TM included all the individuals and groups from the project organisation structure. One aspect of the NCTP framework that was reflected in the *Stakeholder Circle*TM was the inclusion of the Chief Technology Officer and the Office of the CIO, who were accountable for developing standards for software in the Department to cover technology uncertainty, the complexity was indicated by the inclusion of ‘Division 1’ which was a major project using the same software and there was recognition of the potential for knowledge to be shared between the two projects.

Town Hall staff accommodation

The stakeholder community defined by the *Stakeholder Circle*TM included all the individuals and groups from the project organisation structure. One aspect of the NCTP framework that was reflected in the *Stakeholder Circle*TM was the inclusion of architect, engineering specialists and technical advisors from Council 1, necessary to develop appropriate designs and implementation strategies for managing the novel solutions and complexities of the project.

Knowledge Net

The stakeholder community defined by the *Stakeholder Circle*TM included all the individuals and groups from the project organisation structure. The NCTP framework was poorly reflected in the *Stakeholder Circle*TM; the *Stakeholder Circle*TM was overwhelmingly skewed to deal with the requirements of upper management that it failed to adequately cater for the management of the medium levels of novelty, complexity, technology uncertainty and pace.

9.2.4 Summary of models comparison

As shown in the six comparisons above, there was some correlation between the official project organisation structure and the *Stakeholder Circle*TM; there were some interesting inclusions – these will be discussed in Section 9.3. There was also some correlation between the NCTP framework and the *Stakeholder Circle*TM. The project team had unconsciously understood the status of the project from a novelty, complexity, technology uncertainty and

pace perspective and in all cases but one – Knowledge Net – had included the necessary groups or individual to ensure that that aspect of the project was covered.

9.3 Inter-Case Analysis of Stakeholder Communities

This section explores the significance of the prioritised lists of project stakeholders and the significance of the differences shown in Table 9.4. The analysis will consist of examining the top two stakeholders from each project – analysis 1, followed by an examination of the top five on the list – analysis 2. The top five were chosen for the second layer of analysis because an examination of Table 9.4 showed that there were some findings in this group of stakeholders that required explanation.

Table 9.3 - Legend for Table 9.4

Colour/symbol	'Direction of Influence'	Comments
Dark Orange U/k	Upwards (with power to 'kill' project)	Indicates senior management who can influence the outcome of the project; and
Orange U	Upwards	Indicates senior management who can influence the outcome of the project
Dark Blue O/k	Outwards (with power to 'kill' project)	Stakeholders external to the project – contractors, government, user groups; who have power to 'kill' the project through withdrawal of funding or other support
Blue O	Outwards	Stakeholders external to the project – contractors, government, user groups
Green D	Downwards	Members of the project team
Purple S	Sideways	Peers of the project manager or a Community of practice that the project team is part of

Table 9.4 - Comparison of project stakeholder communities.

Asset Management System	Town Hall Re-development	City Mall Re-development	eDocRec	TH office accommodation	K Net
Sponsor U/k	Project Implementation Group U	Sponsor U/k	Staff from pilot site #1 working with the project team O/k	Chief Executive Officer U/k	Knowledge Management Committee (KMC) U/k
Project Team members (staff) S	Chief Executive Officer U/k	Public Transport Company S	Project Steering Committee /Reference group U/k	Project Steering Committee U/k	Departmental Secretary (Chief Executive Officer) U/k
Chief Executive Officer U/k	Client project manager S	Project Director U	Regional Chief Technology Officer S/k	Executive Implementation Group U/k	Functional Manager Pilot site #1 U
Senior Leadership Team U/k	Building surveyor O	Mall traders O	Corporate IT – Technical consultant D	Project Sponsor U	Pilot site #1 – staff on project D
Core Team for Stage 1 (includes asset managers + specialists) D	Project Steering Committee U/k	Project Team D	Pilot Group #1 O	Project Implementation Group S	Program Manager U
IT specialists D	Builder MD/ project director U	Project Steering Group U/k	Division #1 major project O	Builders D	Sponsor U
Functional Manager, IT S	Town Planner O	Councillors U/k	Project team D	Councillors U/k	Manager, Office of the Secretary U
Information Management Group U	Architect O	Operational Reference Group S	Sponsor U/k	Technical Advisor – Buildings S	Project team – specialists D
Specialist staff from vendor D	Contractors D	Utilities, Energy and Water O	Supplier D	Technical Advisor – IT S	Exec #1 U
Members of groups affected by Stage 1 implementation D	Technical Advisors (staff of Council 1) S	Regional Transport Regulator O	Division #2 O	Utilities – Telco, water, energy O	Functional Manager Pilot site #2 U
Members of groups affected by Stages 2,3,4,5 of implementation D	Unions - Building Trade O	Media O	Business Owner U	Functional Group – IT and communications S	IT Director U
Auditors O	Engineers and Specialist Consultants O	Division #1 – Engineering Services S	Departmental Secretary (CEO) U/k	Functional Group – Community Access S	Functional Manager Pilot site #3 U
Vendors O	Councillors U/k	Senior Leadership Team U/k	IT Steering Committee U	PM contractor – Builder D	Functional Manager Finance U
Director, Finance U	Local residents (near Town Hall) O	Division #2 – Planning Services S	Regional Central Office of the CIO O	Architect D	Other projects within Department 2 S
Project Steering Group S	Quantity Surveyor S	All other authorities O	Internal Records and Information Specialists S	Engineers and Specialist Groups D	Vendors outsourced O

Finally there will be a discussion of anomalies to the pattern shown in Table 9.4 as well as anomalies to outcomes that would be expected through the received view of stakeholders that are important to a project – analysis 3.

Table 9.3 explains the symbols used in Table 9.4, which is colour-coded, but contains symbols in each cell to facilitate understanding if a black and white image is produced. The colours and coding used in these tables are the same that are used to build each project's unique *Stakeholder Circle*TM.

9.3.1 Analysis 1 – most important project stakeholders

The top two stakeholders or stakeholder groups in the table were predominantly orange/managing 'upwards' (for senior management) and had a high proportion of CEOs, sponsors and project steering groups where the sponsor was usually a member of the project steering group. This would be expected from an analysis of the literature on stakeholders² and from accounts of project management professional practice³. Most of those judged to be in this top priority group of key stakeholders also had power to 'kill' the project through withdrawal of essential resources or withdrawal of advocacy for the project. The exceptions to these expected results are discussed.

The project team for the Asset Management System had been selected as the second most important stakeholder' but without power to 'kill' the project. The project team participated in the evaluation workshops, but the project manager and 'J' defined the ratings of *power*, *proximity*, and *urgency*, leading to this assessment. While it is unusual for the project team to have such a high rating, this does fit in with the inclusive management style of both the project manager and 'J'. The roles that this project team, all staff members, played was crucial to acceptance by the users and to the development of the business requirements for the vendor team.

The Town Hall Re-development project listed as the most important stakeholder group the *Project Implementation Group*, the team consisting of those who were actually responsible for implementation of the project. In this group were: the Director, Urban Services representing the CEO who was project sponsor; the project director and project manager from

² See Chapter 2 for a discussion on stakeholder theory.

³ Chapter 2 lists some of the sources from stakeholder management practice

Builder - the project management contracting firm; the client project manager and a staff representative for the accommodation sub-project. The *Stakeholder Circle*TM for this project showed that while this group had significant influence, it did not fully ‘cut’ the circle, and therefore could not ‘kill’ the project. The Director Urban Services was also a member of the Project Steering Committee which did have power to ‘kill’ the project but not as much influence as the Project Implementation Group.

The third anomaly was in the City Mall Re-development Group: the *Public Transport Company*, an essential service provider in the project, but also an implementation partner, and an important member of the project team. While this group was not judged by the project team to have the power to actually ‘kill’ the project, it had been judged to be essential to project success. At the time of the assessment, this group had not had much involvement with the planning or communication activities; this group viewed their part of the project delivery as ‘business as usual’ and was prepared to invoke their usual procedures for communicating and implementing. The project manager viewed this perceived lack of cooperation as a threat to the project.

The fourth anomaly was in the eDocRec project: staff from the group that was to be Pilot Site #1 were not only the most important stakeholder group but also had power to ‘kill’ the project. This was the only instance in all six projects where a stakeholder with ‘outwards direction of influence’ had more power and influence than even the CEO, sponsor, or governance group. I raised the allocation of an ‘outwards’ categorisation for this group during the workshop; initially it had been categorised as ‘downwards’. However at the second workshop the Business Owner insisted that the categorisation be changed from part of the team to outside the team. Business Owner’s explanation was that they had become un-cooperative and were not acting with the success of this project as their goal, but with some other “*political agenda*”. I was informed by another member of the team at an informal meeting that, “*there had been a major falling out*”, between Business Owner and the manager of the pilot group at that time. When I reviewed the findings of my research with the Department 1 group, which included members of the project steering committee who had accepted Business Owner’s invitation to attend, the situation was unchanged; all present were aware of the situation and endorsed Business Owner’s assessment of both the importance and influence of this group and its categorisation as ‘outwards’.

9.3.2 Analysis 2 – moderately important stakeholders

By looking at the top five stakeholders and stakeholder groups assessed by the team as key stakeholders, some other anomalies became apparent. The first group of anomalies were concerned with the categorisation of stakeholder groups, the second group were concerned with groups whose place in the top five seemed incongruous.

In the Asset Management System the top five key stakeholders consisted of categories of managing upwards and managing downwards. An interesting inclusion was the core team for stage 1. This group was from the first site planned for implementation; this group had been defined as part of the team. In comparison, for eDocRec, both staff from the pilot site - the first group planned for implementation and the pilot site itself - interpreted as managers and staff, were both in the top five key stakeholders, both ‘outwards’ with pilot staff members working with the team so alienated that they were viewed as “*hostile*” with power to ‘kill’ the project. In the Knowledge Net project, members and management from the first site planned for implementation – pilot site #1, were included in the top five with management categorised as ‘upwards’ and staff on the project as ‘downwards’ part of the team. The categorisation of these stakeholders in Knowledge Net was closest to how I would assess the groups, with pilot site management requiring appropriate reporting, and pilot site staff on the project team being included into the team.

The incongruous stakeholders were singled out because their selection as stakeholders with significant power and influence seemed unusual. There were four examples spread across four of the six projects.

The first was the Core Team for Stage 1 in the Asset Management System; it had been categorised as ‘part of the team’ even though the group included managers as well as specialists. I interpreted this categorisation as resulting from two causes: the first was the inclusive management style of the project manager who believed that openly including them in the team was the “*only way to ensure their buy-in*,”⁴ and the second cause could be a result of the influence of the *web culture* change program.

The second incongruity was the inclusion of the building surveyor in the top five key stakeholders of the Town Hall Re-development project. My interpretation was that if this assessment had been done at a different time in the project, the building surveyor would not

⁴ This was the response of the project manager

even appear on the list. At that stage of the project the documentation of the building surveyor was vital for obtaining a Planning Permit to proceed with construction. At a later time in the project, with planning approval achieved, his role on this project would have been insignificant.

The third incongruity was in the City Mall Re-development project: the Mall traders. To be in the top five of a project's key stakeholder list this group would have scored highly in all three rating areas – *power proximity* and *urgency*, thus giving a view of their power and influence relative to other stakeholders for that project. They were the group of stakeholders most likely to be impacted both positively and negatively by the work of the project and then after construction had been concluded. They would be impacted negatively during construction phase, particularly over the week-ends when there were no trams running through the Mall. They would be positively impacted after construction was completed as shoppers and tourists returned to the Mall attracted by the more pleasant surroundings. Their power and influence was enacted in two major ways. Those who felt most affected insisted on meeting with the designers; some also insisted on meeting with the Director Urban Design. The traders had formed an association and ensured that their views were heard through the media. So while in many cases, the traders did not have much power to change design features or implementation strategies, they had significant influence both inside Council 2 and, through means of their media connections, power to embarrass the Councillors.

The fourth incongruity was in the eDocRec project: the Regional Chief Technology Officer was third on the list of key stakeholders. Generally in organisations such as Department 1, policy makers and standards enforcers such as the CTO were seen as peripheral to project success. However, the situation in Department 1 and all the other regional government Departments was that there was a concerted move towards developing standards across all departments for IT infrastructure, training and accreditation, and software. At the time of the workshops the CTO was developing the strategies that, once developed, would require compliance. eDocRec was being implemented in advance of the strategy being approved and implemented; Business Owner considered the CTO's awareness and understanding of the work of eDocRec essential for two reasons. The first reason was to be seen to be complying with a high-level strategic thrust; the second was to have an opportunity to feed the experiences of their development and implementation efforts into the deliberations of the development of appropriate strategies.

9.3.3 Summary of Analysis 1 and Analysis 2

From Analysis 1, it is possible to conclude that a project's most important stakeholders can be other than the most senior managers of an organisation; sponsors, CEOs and other governance bodies may be the most powerful and influential, but they may not be. The data from eDocRec make it possible to conclude that different stakeholders may be more powerful and influential at some phases of the project, but not others. A final conclusion is that the selection of stakeholders and assessment of their priority and power and influence is dependent on the views of the team involved in the selection and prioritisation process; these views can be affected by the team's perception of the intentions and actual power of these stakeholders and the views may be different from one week to the next. The lessons from this interpretation are twofold: it is important to have a diverse group of people for the identification and prioritisation of the project's stakeholders; and it is important to have a facilitator. This will reduce the bias in selection and assessment.

Data from Analysis 2 support the conclusions from Analysis 1: the most important stakeholders may not be the governance groups or senior managers of the organisation; perceptions of stakeholders' power and influence will change throughout the project, so it is important to reassess the stakeholder community at milestones in the project.

9.3.4 Analysis 3 – the patterns of the Stakeholder Community

Through an examination of the stakeholder communities of each project as shown in Table 9.4 or each project's unique *Stakeholder Circle*TM, it is possible to interpret the patterns of the composition of each project's stakeholder community. The rest of this section will focus on analysing the patterns of each project in turn.

The Asset Management System shows a similar number of 'upwards' stakeholders (5) and 'downwards' stakeholders (6). Given that Council 1 has a traditional hierarchical structure the number of senior management stakeholders is not unusual. However, the dominance of stakeholders who are members of the project team is unusual and does not occur in any of the other five projects. These data can be interpreted through an understanding of the culture of the organisation and the management style of the project manager. Council 1 had been implementing a change program over the two years prior to my research. This change

program had a focus on developing trust and openness between all Council 1 staff.⁵ The inclusion of groups that would normally be treated as ‘user groups’ and not properly included was attributed by the project manager and ‘J’ an influential member of Council 1 management as indicative that the change program was “*working*”. This inclusive approach could also be interpreted as in part a product of the management style of the project manager. During her interview she described this inclusive approach as having worked for her in the past to ensure “*buy-in*” from staff who were reluctant to cooperate in an activity or change that she was responsible for.

The Town Hall Re-development project shows a large number of ‘outwards’ stakeholders (6), much larger than ‘upwards’ stakeholders (4). For this construction project the most important group of stakeholders were those who were supplying specialist services and consultancy for the project as well as those involved in getting planning permission to proceed (the town planner and the building surveyor). The last ‘outwards’ group were the residents and businesses located near the Town Hall that would be impacted by the construction works. The other dominant group were ‘upwards’; there were four senior managers or management groups from the client organisation and only one from the company itself – the MD. This seems logical for a company with such a flat structure whose resources are devoted to the success of a project on behalf of the client organisation, whose structure was traditional and hierarchical.

The City Mall Re-development project seemed to have a more balanced set of key stakeholders. Although ‘upwards’ and ‘outwards’ dominated, there were a few stakeholders that had been assessed as peers of the project manager, mainly other groups in Council 2 who would be involved in maintenance and support of the completed project.

eDocRec seemed quite balanced from the perspective that no stakeholder group was dominant. However, there were some anomalies as discussed in earlier parts of this section that made this stakeholder community unusual. The sponsor, the Department-wide IT Steering Committee and the CEO were quite low in the priority list of key stakeholders; this was unusual particularly when the power and influence of the most important stakeholders, the pilot site staff working with the project team, was considered.

⁵ This change program: *web culture* is described in the Asset Management System Case Study description

The Town Hall staff accommodation project had a predominance of ‘upwards’ stakeholders (5); with most of the other stakeholders being either part of the project team (4) or peers of the project manager (5). The architect and specialist groups were assessed as members of the team for this project; the same groups were assessed as ‘outwards’ by Builder for the Town Hall Re-development *Stakeholder Circle*TM. The predominance of the ‘downwards’ and ‘sideways’ stakeholders was interpreted by the project team as being influenced by the *web culture* influencing the views of the project team with regards to the roles of those working with them to deliver their project.

Finally the Knowledge Net project has a stakeholder community that is almost exclusively ‘upwards’. This is unusual, and quite different from any of the other five projects. This overwhelmingly management-heavy stakeholder community was acknowledged by the project team during discussions on the *Stakeholder Circle*TM for Knowledge Net. It was interpreted as reflecting the traditional structure and conservative culture of Department 2, where every layer of management above the project team required different reporting, and where communication upwards could only happen one layer at a time. The *Stakeholder Circle*TM thus produced was used by the program manager as evidence that the project team were overwhelmed by the need for reporting to all the levels above them, to the detriment of delivering their projects. As a result the reporting procedures were reviewed to give the program manager the role of managing the reporting out of and into the projects in that Knowledge Net project.

The data collected to build each project’s *Stakeholder Circle*TM showed much more than just who the stakeholders of that project were. Not only did the list provide data that supported interpretation of the real key stakeholders, but supported the conclusion summarised in the section above. These were: the most important stakeholders may not be the governance groups or senior managers of the organisation; perceptions of stakeholders’ power and influence will change throughout the project, so it is important to reassess the stakeholder community at milestones in the project. An additional conclusion from an analysis of the patterns of stakeholders emerging from analysis of the *Stakeholder Circle*TM of each project is that it can provide more information than the traditional structure charts about the project organisation and the culture of the organisation. It may also be useful for troubleshooting project problems in project health reviews, as in the case of Knowledge Net. Three of the five participant organisations changed their procedures as a result of their exposure to the

methodology and tool: Council 1 developed a template for assessing stakeholders for any future endeavours, and from the appearance of their *Stakeholder Circle*TM evidence that their change program was having some effect; Department 1 incorporated concepts of ‘mutuality’ and engagement planning into their procedures; Department 2 was able to streamline their reporting for Knowledge Net as a result of their *Stakeholder Circle*TM.

9.4 Inter-Case Analysis by Industry

Some analysis has been done in an earlier section of this chapter using project typologies. The earlier models of Briner, et al. (1996) and Turner and Cochrane (1993) used the industry of the project as a starting point through examples of different typologies and provided some insight in to ways to differentiate, but were not really useful. The NCTP typology of Shenhar and Dvir (2004) was not useful in differentiation between construction and business projects either, but was useful in understanding how best to manage project types differentiated through the framework

Table 9.5 - Comparison between construction and business projects (Thomsett 2002)

	Business Projects (IT)	Engineering projects (construction)
Procurement	Multiple service providers Informal verbal contracts	Small number service providers Formal legal contracts
Specifications and Requirements	Flexible and informally specified	Generally fixed and formally specified
Codes of Practice and Ethical standards	Poorly established – still emerging	Well-established
Methodologies	Multiple (if used) – based on theoretical and marketing principles	Well-established Founded on physical and mathematical principles
Deliverables	Abstract deliverables Unique components (not often reusable)	Physical deliverables Modular components developed over centuries of doing these projects
Performance Metrics	Poor performance indicators Inaccurate metrics	Clear Performance indicators Accurate metrics
Standard Processes	Variation amplified through individualism	Variation reduced through consistent and standard processes.

. My own observations were that the two construction projects that I worked with for my research had some differences. These differences were mainly around procedures for managing stakeholders, for estimating, for managing project risks. Despite the extensive

codification that construction project managers have access to, many project processes were still not properly followed, leading to the project director of the City Mall Re-development saying, “*we need processes and tools to manage our stakeholders.*”

Another way to try to differentiate between construction and business projects is to view them in terms of key stakeholders shown in Table 9.4 and in the individual *Stakeholder Circle*TM for each project. The two construction projects – Town Hall Re-development and City Mall Re-development have different organisational structures; the former being a privately owned commercial company with a flat structure and total reliance on outsourcing of specialist skills, and the latter being a local government organisation with some work being done ‘inhouse’ and other work being ‘outsourced’. Apart from there being more key stakeholders in the senior ranks of the organisations of the business projects, the stakeholder community is not much different for either industry. Both sets of projects need the support of governance groups and senior stakeholders, they need to keep the users informed, and they need the services of specialists in particular areas related to outcomes of the project. For IT projects in this research, IT specialists are important; in construction projects, architects and building specialist are important. The data from the *Stakeholder Circle*TM workshops do not appear to differentiate between construction and business projects; this conclusion can also be interpreted to mean that the *Stakeholder Circle*TM can be equally effective on all types of projects.

9.5 Summary of the Chapter

This chapter presents an examination of the research data to address research question 4. Inter-case analysis interprets data from the case studies of Chapters 6, 7 and 8, examining the willingness and capability of the project team to use the methodology. Data showed that the project managers and their sponsors that were interviewed understood the importance of managing expectations and perceptions, and also of managing within the political environment of the organisation. All but one PM were willing to do this. The PM who was unwilling was young and inexperienced and really didn’t know how, regarding it as, “*manipulation*”. This PM had a good mentor in the MD of Builder, and would soon learn by observing MD in action.

Examining the project typology models for identifying types of projects (Turner and Cochrane, 1993; Briner, et al., 1996) and therefore using the model to know how best to

manage the project were not very helpful. The NCTP framework was more useful but in some cases the advice was contradictory and needed an experience manager to interpret, and depended on members of the team being able to supplement the skills of the PM to achieve success.

In assessing the value of the *Stakeholder Circle*TM, comparisons were made with other models and structures of the projects. Some correlation between the NCTP framework and the *Stakeholder Circle*TM was found. In most cases the project team had selected the appropriate stakeholders to support the project issues uncovered by the NCTP framework. The *Stakeholder Circle*TM invariably included all the people shown in the project organisation structure.

But it was in the comparison of *Stakeholder Circles*TM of the projects that the most interesting findings occurred. While many of the most obvious key stakeholders, such as the CEO and the project sponsor, were evaluated as being very important, there were some anomalies that showed the value of the *Stakeholder Circle*TM in other ways. The data collected to build each project's *Stakeholder Circle*TM showed much more than just who the stakeholders of that project were. Not only did the list provide data that supported interpretation of the real key stakeholders, but supported the conclusions summarised in the section above. These were: the most important stakeholders may not be the governance groups or senior managers of the organisation; perceptions of stakeholders' power and influence will change throughout the project, so it is important to reassess the stakeholder community at milestones in the project. An additional conclusion from an analysis of the patterns of stakeholders emerging from analysis of the *Stakeholder Circle*TM of each project is that it can provide important information about the project organisation and the culture of the organisation that may otherwise be hidden.

Finally on the problem of differentiating between construction and business projects, the data from the *Stakeholder Circle*TM workshops do not appear to differentiate between construction and business projects; this conclusion can also be interpreted to mean that the *Stakeholder Circle*TM can be equally effective on all types of projects.

Chapter 10 - Conclusion

Failed projects cost organisations millions of dollars in lost revenue or wasted resources (Standish Group, 1994), and support a perception that the profession of project management is generally ill-equipped to deliver project success. In the past, focus has been on the ‘hard’ side of project management; the accurate development and control of scope, schedules and budgets (PMI, 1996; Crawford, 2000; Gray and Larson, 2000; Meredith and Mantel Jr, 2000; PMI, 2000). In today’s environment the idea of balance between project control and the project relationships has gained currency (Briner, et al., 1996; Pinto, 2000). This research focuses on the connection between project success and successful project relationships, through the refinement and testing of the *Stakeholder Circle*TM methodology and visualisation tool as the principal means of establishing that connection.

10.1 Summary of the Research Project

Four themes of the research arising from the main research proposition are presented in Section 10.1. In Section 10.2 gaps identified in the literature are reviewed and the contributions of this research to project management theory and practice: the benefits of the *Stakeholder Circle*TM to the project team and the project manager, to the performing organisation and to the project management profession; unexpected findings from comparisons of each project’s *Stakeholder Circle*TM are examined. Opportunities for further research are discussed in Section 10.3.

10.1.1 The four themes of the research

In Chapter 1 the main research proposition was stated:

Project management practice will be advanced by the Stakeholder CircleTM, a methodology and visualisation tool, which will support the work of the project manager and project team members in building and maintaining relationships with key project stakeholders. Improving the perception of project success (or reducing the perception of failure) through more effective focused stakeholder management requires the project manager and the project team to identify and prioritise key stakeholders and to develop and implement appropriate stakeholder communication and management strategies.

A research project was designed to address four research themes which informed the research questions and research objectives. The first research theme was to identify reasons for project success (and failure) and to identify essential factors for the prevention of failure or the enhancement of project success. Two research questions were developed. The first question was designed to identify the reasons for project failure in the literature: *Does stakeholder management influence project success?* through an examination of the causes of project failure and the connection to stakeholder management. Perception of lack of success, or lack of importance, caused key stakeholders to either no longer support the project objectives or to actively work against their successful delivery (Sauer, 1993; Jiang and Klein, 1999; Meredith and Mantel Jr, 2000; Lemon, et al., 2002). A key to project success in both business projects and engineering construction projects (Morris and Hough, 1993) was identified as proactive management of stakeholder expectations (Pinto and Prescott, 1990; Crawford and Da Ros, 2002; Thomas, et al., 2002).

An examination of existing stakeholder management practices and theories addressed the second research question: *What are the essential features of effective stakeholder management.* Methods of categorising stakeholders to develop appropriate management strategies (Savage, et al., 1991; Mitchell, et al., 1997) and social network theory (Rowley, 1997) to maintain and develop planned and targeted communication within the network of project relationships (Briner, et al., 1996; Cleland, 1999; PMI, 2004) were incorporated into the prototype methodology.

Examination of stakeholder theory led to the conclusion that the support of key stakeholders was essential for project success (Freeman, 1984; Pinto, et al., 1998; Frooman, 1999; Pinto, 2000; Post, et al., 2002; PMI, 2004), but there was no clear means of identifying the *right* stakeholders for the *right* time of the project lifecycle. Identification and prioritisation of key stakeholders must occur at each phase of the project, with engagement and communication strategies adjusted to ensure that the needs and expectations of current key stakeholders were understood, managed and met.

The second research theme examined a prototype stakeholder management methodology and visualisation tool, the *Stakeholder Circle*TM and its potential to decrease the risk of project failure through support for the strategies for successful project relationships described previously. Research question 3: *does the use of the Stakeholder Circle*TM, *a methodology supported by a visualisation tool increase the effectiveness of stakeholder management?*, was examined. Objective 4: *to test and refine the Stakeholder Circle*TM, was addressed by an iterative series of workshops using evaluations of the participants to further refine the methodology before proceeding with the next set of workshops. There were three iterations and a total of 11 workshops¹: the third iteration with two projects yielded no further suggestions for improvement.

The third theme of the research addressed the effectiveness of the *Stakeholder Circle*TM. The objective: *to establish the effectiveness of the Stakeholder Circle*TM *in business and construction projects*, was addressed by including two construction projects in the total of six that participated in the research. The construction projects appeared to have effective processes for managing and engaging stakeholders prior to the workshops, but one of them adopted processes of *Stakeholder Circle*TM, recognising that their own processes needed improvement. The evaluations from the workshops supported the finding that there was no significant difference between the two types of projects. Objective 6 measured *the effectiveness of the methodology and tool*. Evaluations forms completed by the workshop participants indicated that most of the participants judged the methodology for identification, prioritisation, and engagement of stakeholders to be useful for stakeholder management and most of them would use it again.

The fourth theme examined the qualities of those people who would most benefit from the use of the *Stakeholder Circle*TM - the project manager and project team. From the literature reviewed, personal qualities necessary to manage and engage project stakeholders were identified. These qualities included effective management within the performing organisation's power structure, development of trusting relationships, ethical behaviour and proactively risk management, but with no coherent view of the progression of skills, knowledge, and experience required by

¹ The workshops are described in detail in Chapter 5

project managers to deliver project outcomes successfully. This research gap was addressed by the development of the concept of three dimensions of project management: the 1st dimension being the *craft* or techniques of project management, the 2nd dimension is the *art* of managing and leading, while the 3rd dimension relates to an individual's willingness and capability to operate in the performing organisation's power and political structure.

The findings of Question 4: *How willing and capable are the project manager and project team to use the Stakeholder Circle™ to engage with their key stakeholders?*, indicated that the more experienced a project manager was, the more capable and willing he/she was to engage in the necessary practices to maintain project relationships.

10.2 Contributions of this Research

An extract from the RMIT professional doctorate guidelines is attached². The guidelines refer to the research project and present criteria for the examination of the project:

- *Reviewing the literature* to make a critical assessment of the present state of knowledge in the subject (Chapter 2)
- *Designing an investigation and gathering and analysing information*. The research should demonstrate that the techniques adopted were appropriate to the subject matter and were applied properly. (Chapter 4)
- *Presenting information in manner consistent with publication, exhibition or public presentation in the relevant discipline*. Appendix B presents a list of the journal and conference papers delivered on the *Stakeholder Circle™*
- *Critical appraisal of own work relative to that of others*: Chapter 2 presents the work of others in the field of stakeholder management; in the research conducted for this dissertation, this work has been valuable as input to the theoretical foundations for the prototype *Stakeholder Circle™*. Limitations of the study were addressed in Section 1.6.
- *Significant and original contribution*: A new tool was developed and the methodology supporting the tool made advances on the current theories and practices for stakeholder management as reviewed in the literature – new ways

² Appendix CC

of applying existing knowledge to practice (Chapters 3 and 5). The presentations to PM community groups at conferences raised significant interest for future use of the *Stakeholder Circle*TM

- *Independent and critical thought and ability to work independently*: This point will be addressed in 10.2.2.

The contributions of this research should be addressed in the light of the requirements listed above. This section will present contributions to the research in terms of identified gaps in the literature which led to an extension of existing theory, and then more specifically the value that the methodology and tool can add to stakeholder management and project management practice.

Describing stakeholder management as a means to ensure project success is not a new concept. While there is a growing body of research and literature on this subject it has been piecemeal. Three major gaps in existing project management research were noted in Chapter 1 of this research. The first contribution was the development of an integrated model of project success from diverse reasons for project failure addressed in the literature review. The second contribution was the support for the effective identification and management of key stakeholders expectations through the *Stakeholder Circle*TM methodology and visualisation tools. The third contribution was a proposal for a coherent view of the progression of project management skills, knowledge, and experience – the *three dimensions*. This section describes these gaps in more detail; the following section addresses the value of the *Stakeholder Circle*TM to the project manager and team, to the organisation, and to the project management profession.

10.2.1 Addressing gaps in the research

The first gap noted in the literature review was a lack of unifying perspective on the reasons for project failure. Three elements of project success were synthesised from the literature and merged into a concept of interrelated elements of delivery of value, management of risk and management of relationships. Effective management of project relationships can lead to the perceived and actual delivery of value to organisation, and management of risk required management of stakeholder

relationships as well as management of risks related to scope, time, cost and quality and the delivery of value to the organisation.

The second gap in the literature reviewed was that there was no clear means of identifying the *right* stakeholders for the *right* time of the project lifecycle. There appeared to be no existing process, methodology or culture supporting a dynamic approach to the identification and management of the project's stakeholders. Through the use of the software supporting the *Stakeholder Circle*TM, reassessment of the project's key stakeholders was simplified; a new stakeholder community could be identified and charted in a very short time by re-evaluation of the relative *power*, *proximity and urgency* of project stakeholders as conditions within or around the project changed.

The third gap was the research into personal qualities necessary to build and maintain relationships with key stakeholders. This gap was addressed through an identification of three levels of skills and experience the *three dimensions* building to the 3rd dimension skill - 'wisdom' which was the project manager's willingness and capability to work within the organisation's power structures to ensure project success.

10.2.2 Value delivered by the *Stakeholder Circle*TM

The testing and refinement of the *Stakeholder Circle*TM methodology and visualisation tool was the main focus of this research. Work with the *Stakeholder Circle*TM highlights the project's key stakeholders as a reference for the team, the stakeholders, and others, to understand *who has been evaluated by the project team* as essential for project success. The value of the methodology and tool is derived from the analysis process itself and from the ease with which key stakeholder's influence on the project can be evaluated once the project's unique *Stakeholder Circle*TM is complete.

There are three parts to the *Stakeholder Circle*TM methodology and visualisation tool that cumulatively add to its effectiveness. The methodology supports the identification and prioritisation of all the project's stakeholders, producing a manageable number of the key stakeholders of that project. The second part of the methodology is the supporting software, which makes the task of allocating relative

importance of stakeholders both time and effort efficient. The final part of the methodology is the processes for developing an engagement strategy and associated communications plan to support understanding of the expectations and perceptions of the stakeholders, and how they can be managed and met.

The project team benefits from use of the *Stakeholder Circle*TM methodology and tool both as a team and individually. The project benefits from a multi-perspective view of the stakeholder community. Individuals or groups who can contribute knowledge or support to the project team, can be included in the stakeholder community and engaged at the appropriate level. This tool helps to uncover often hidden knowledge that stakeholders possess, not just about their power and influence, but also their input to resolution of issues that emerge. Individually the team members will benefit from exposure to new ways of understanding relationship management, and will learn about the characteristics, leadership and management styles, and expectations of the project's key stakeholders. These experiences will contribute to the growth of the project team members along the path to the 3rd *dimension* skill - 'wisdom'.

Three of the five participant organisations changed their stakeholder management procedures as a result of their work with the methodology and tool: Council 1 developed a template for assessing stakeholders for any future endeavours, and from the appearance of their *Stakeholder Circle*TM were able to derive evidence that their change program was having some effect. Department 1 incorporated concepts of 'mutuality' and engagement planning into their procedures. Department 2 was able to streamline their reporting for Knowledge Net as a result of information derived from their *Stakeholder Circle*TM. The contribution to the profession of the *Stakeholder Circle*TM lies in the enhancement of understanding of who can be stakeholders.

Organisations can benefit from the increased awareness of the project team members of the importance of project relationship management and the provision of tools to achieve a better understanding of how to achieve it. Because the project team members of all projects that participated in the research benefited individually and as a team, the organisation can also benefit from this increased knowledge; it is an accumulation of an organisation's 'knowledge capital' (Sveiby, 1997). An additional benefit may arise from a decrease in failed projects with its consequential decrease in wasted funds and resources.

The value of the *Stakeholder Circle*TM for the organisations that participated in this research reflected benefits to the project management profession. These benefits relate to new approaches and knowledge arising from the synthesis of theory from gaps identified in the literature. The new approaches to project relationship management implicit in the *Stakeholder Circle*TM methodology and visualisation tool should benefit the profession through reducing the risk of project failure and consequent waste of scarce resources, monetary and human. The emphasis on building relationships and understanding how the project can benefit each key stakeholder establishes regular dialogue between the stakeholder and the project to eliminate misunderstanding and monitor stakeholder expectations. An improvement in the instances of project success should improve the reputation of the project management profession.

10.3 Recommendations for Future Research

The main outcome of this research was the refinement and testing of the *Stakeholder Circle*TM. The workshop participants evaluated the methodology and its underlying theory as being effective for the identification of key stakeholders and support for their management. However, more research needs to be conducted into these synthesised theories, in particular the usefulness of the two theoretical constructs: the interrelatedness of the three elements of project success; the three dimensions of project manager skill and knowledge. Five organisations and six projects, all in the design phase, participated in this research. Further research should be conducted in larger, more complex projects, in other phases, and across all phases to continue to test the effectiveness of the *Stakeholder Circle*TM.

This research was focussed on the value of the *Stakeholder Circle*TM for the identification of key project stakeholders to reduce the chances of project failure through support for developing and maintaining relationships within the project. However, it is possible that the principles of the *Stakeholder Circle*TM could be applied to other industries or activities that depend on developing and nurturing relationships, such as Marketing, Advertising or new business development. The process of identification, prioritisation and engagement could be supported equally well in these activities by the *Stakeholder Circle*TM.

Some interesting data resulted from the analysis of the *Stakeholder Circle*TM developed for each participant project and the comparisons with other projects. The stakeholder communities shown by the visualisation tool were quite different, in some cases the same individual had different roles and different levels of importance for the projects that they had involvement with. Other projects from the same sectors showed very different blends of individuals and relative importance in their stakeholder communities.

Inferences about meaning of each *Stakeholder Circle*TM were made through reference to interpretations of the data collected about the project organisation and the performing organisation during the research. These inferences were presented to the organisations themselves for confirmation of the researcher's interpretations. The prospect that the *Stakeholder Circle*TM could be used to provide information about the organisation's power structure and the project's connections to the organisation is an exciting one and should be pursued through collection of additional data from a diverse range of organisations and projects.

10.4 Summary of Chapter

This chapter provides a summary of research findings that address the research themes derived from the main proposition identified in Chapter 1. The findings address the research questions and specific contributions to the project management body of knowledge through the development and refinement of the *Stakeholder Circle*TM methodology and visualisation tool, and through the data collected and described in chapters 6, 7, and 8 and interpreted in Chapter 9. These data supported the proposition stated in Chapter 1: that improving the perception of project success (or reducing the perception of failure) through more effective stakeholder management requires identification and prioritisation of key project stakeholders and the implementation of appropriate stakeholder communication and management strategies.

In addition, the case study findings suggest possible additional value of the *Stakeholder Circle*TM methodology and visualisation tool. These findings were: the most important stakeholders may not be the governance groups or senior managers of the organisation; perceptions of stakeholders' power and influence will change

throughout the project, so it is important to reassess the stakeholder community at milestones in the project; and it is important to have a diverse group of people assessing the stakeholder community. Analysis of the *Stakeholder Circle*TM of each project may provide important information about the project organisation and the culture of the organisation that may otherwise be hidden. Although these insights were identified during the research for this dissertation, more work will need to be done to define the power of this information and develop a deeper understanding the relationships within the stakeholder community for each project.

References

- Andersen, E., S (2003). "Understanding Your Project Organization's Character." Project Management Journal **34**(4): 4 - 11.
- Babbie, E. (2004). The Practice of Social Research. Belmont, California, Thomson.
- Bass, B. M. and R. M. Stogdill (1990). Bass & Stogdill's Handbook of Leadership: Theory, Research, and Managerial Applications. New York London, Free Press; Collier Macmillan.
- Bennis, W. and B. Nanus (1985). Leaders: the Strategies for Taking Charge. New York, Harper Perennial.
- Bernstein, P. L. (1998). Against the Gods: the remarkable story of risk. New York, John Wiley and Sons.
- Blaikie, N. (1993). Designing Social Research. Cambridge, UK, Polity Press.
- Blomqvist, K. and P. Stahle (2004). Trust in Technology Partnerships. Trust in Knowledge Management and Systems in Organizations. M. Huotari and M. Iivonen. London, Idea Group: 172 - 199.
- Boddy, D. and D. Buchanan (1999). Take the Lead: Interpersonal Skills for Project Managers. New York, Prentice Hall.
- Bourne, L. (2005). The Accidental Project Manager: the journey from reluctance to success. Proceedings of the 2005 PMI Australia Conference: PMoZ: Making it Happen, Brisbane, Australia..
- Bourne, L. and D. H. T. Walker (2003). Tapping into the Power Lines-A 3rd Dimension of Project Management Beyond Leading and Managing. Proceedings of the 17th World Congress on Project Management, Moscow, Russia.
- Bourne, L. and D. H. T. Walker (2005a). Stakeholder Chameleon. Proceedings of the first PMI Global Conference, Singapore.
- Bourne, L. and D. H. T. Walker (2005b). "The Paradox of Project Control." Team Performance Management Journal(Summer 2005).
- Bourne, L. and D. H. T. Walker (2005c). "Visualising and Mapping Stakeholder Influence." Management Decision **43**(5): 649 - 660.
- Briner, W., M. Geddes, (1990). Project Leadership. New York, Van Nostrand Reinhold.
- Briner, W., C. Hastings, and M. Geddes (1996). Project Leadership. Aldershot, Hampshire, UK, Gower.

- Burgess, R. and S. Turner (2000). "Seven Key Features for Creating and Sustaining Commitment." International Journal of Project Management **18**(4): 225-233.
- Burmeister, W. (2003). "Leadership Simplified: Abandoning the Einsteinian 'Unified Field Theory' Approach." American Academy of Business(September, 2003): 152 - 154.
- Canadian Management Accounting Society (1998). "IT failures costing billions." CMA Management **72**: 37 - 38.
- Carroll, A. B. and A. K. Buchholtz (2000). Business and Society: Ethics and Stakeholder Management. Cincinnati, Ohio, South-Western College Publishing.
- Carroll, J. M. and P. A. Swatman (2000). "Structured-case: a methodological framework for building theory in information systems research." European Journal of Information Systems. **9**(4): 235 - 242.
- Centre for Innovation in Management (CIM) Measuring the Business Value of Stakeholder Relationships. Vancouver, Simon Fraser University. Web site: www.cim.sfu.ca.
- Christensen, D. and D. H. T. Walker (2003). Vision as a Critical Success Factor to Project Outcomes. Proceedings of the 17th World Congress on Project Management, Moscow, Russia.
- Christenson, D. and D. H. T. Walker (2004). "Understanding the Role of 'Vision' in Project Success." Project Management Journal **35**(3): 39 - 52.
- Clarkson, M. B. E. (1994). A Risk Based Model of Stakeholder Theory. Proceedings of the 2nd Conference on Stakeholder Theory, Toronto, Centre for Corporate Social Performance and Ethics, University of Toronto.
- Cleland, D. I. (1994). Project Management: Strategic Design and Implementation. New York, McGraw-Hill.
- Cleland, D. I. (1995). "Leadership and the Project Management Body of Knowledge." International Journal of Project Management **13**(2): 82-88.
- Cleland, D. I. (1999). Project Management: Strategic Design and Implementation 3rd edition. New York, McGraw-Hill.
- Coghlan, D. and T. Brannick (2005). Doing Research in Your Own Organization. London, Sage Publications.
- Crawford, L. (2000). Project Management Competence for the New Millennium. Proceedings of the 15th World Congress on Project Management, London, England, IPMA.

- Crawford, L. and V. Da Ros (2002). "Politics and the Project Manager." Australian Project Manager **22**(4): 20-21.
- Davidson, H. (2002). The Committed Enterprise: How to make vision and values work. Oxford, Butterworth-Heinemann.
- De Vaus, D. (2003). Research Design in Social Research. London, Sage Publications.
- DeMarco, T. and T. Lister (2003). Waltzing with Bears: Managing Risk on Software Projects. NY, Dorset House Publishing.
- Deming, W. E. (1982). Out of the Crisis. Melbourne, Australia, Cambridge University Press.
- Dinsmore, P. C. (1999). Winning in Business With Enterprise Project Management. New York, AMA Publications.
- Drummond, H. (1998). "Riding the Tiger: some lessons of Taurus." Management Decision **36**(3): 144 -146.
- Dvir, D., A. Shenhar, and S. Alkahrer (2003). "From a Single Discipline Product to a Multidisciplinary System: Adapting the Right Style to the Right Project." Systems Engineering **6**(3): 123 - 134.
- Easterby-Smith, M., R. Thorpe, and A. Lowe (1997). Management Research: an Introduction. London, Sage Publications.
- Eisenhardt, K. M. (1989). "Building Theory from Case Study Research." Academy of Management Review **14**: 488-511.
- Elliot, L. (2001). Ask these questions to reach your stakeholders. Tech Republic, http://techrepublic.com.com/5100-6330_11-1048762.html?tag=search.
- Etzioni, A. (1961). A Comparative Analysis of Complex Organizations: On Power, Involvement, and Their Correlates. New York, The Free Press.
- Fletcher, A., J. Guthrie, P. Steane, G. Roos and S. Pike (2003). "Mapping Stakeholder Perceptions for a Third Sector Organization." Journal of Intellectual Capital **4**(4): 505-527.
- Frame, J. D. (2003). Managing Risks in Organizations. San Francisco, Jossey Bass.
- Freeman, R. E. (1984). Strategic Management: a Stakeholder Approach. Boston MA, Pitman Publishing.
- Freeman, R. E. (1994). "The Politics of Stakeholder Theory: Some Future Directions." Business Ethics Quarterly **4**(4): 409 - 420.

- French, J. R. P. and B. Raven (1959). The bases of social power. Group Dynamics: Research and Theory. D. Cartwright and A. Zander (Eds). London, Tavistock Publications: 259 - 269.
- French, W., A and J. Granrose (1995). Practical Business Ethics. New Jersey, Prentice Hall.
- Frooman, J. (1999). "Stakeholder influence strategies." Academy of Management Review **24**(2): 191 - 205.
- Gadekan, O. C. (2002). What the United States Defense Systems Management College has Learned form Ten Years of Project Leadership Research. Frontiers of Project Management Research. D. P. Slevin, D. I. Cleland and J. K. Pinto (Eds). Newtown Square, Pennsylvania, Project Management Institute (PMI): 97 - 111.
- Gambetta, D. (1988). Trust: Making and Breaking Cooperative Relations. New York, Basil Blackwell.
- Gill, J. and P. Johnston (2002). Research Methods for Managers. London, Sage Publications.
- Glass, R. (1998). "Short-term and Long-Term Remedies for Runaway Projects." Communications of the ACM **41**(7): 7.
- Grabher, G. (2002). "Cool Projects, Boring Institutions: Temporary Collaboration in Social Context." Regional Studies **36**(3): 205 - 214.
- Gray, C. E. and E. W. Larson (2000). Project Management: The Managerial Process. Singapore, McGraw-Hill.
- Greene, R. and J. Elfffers (1998). The 48 Laws of Power. London, Profile Books.
- Hammersley, M. and R. Gomm (2002). Introduction. Case Study Method. R. Gomm, M. Hammersley and P. Foster. London, Sage: 1 - 16.
- Hancock, E. (1999). CHAOS: A Recipe for Success, CHAOS University.
- Hartmann, F. T. (2002). The Role of Trust in Project Management. Frontiers of Project Management Research. D. P. Slevin, D. I. Cleland and J. K. Pinto. Newtown Square, Pennsylvania, PMI: 225235.
- Hersey, Blanchard, and D. Johnson (1996). Management of Organisational Behaviour. New York, Prentice Hall.
- Hersey, P., K. Blanchard, and D. Johnson (2001). Management of Organizational Behaviour. New Jersey, Prentice-Hall.
- James, G. (1997). "IT fiascos and how to avoid them." Datamation **43**(11): 84 - 88.

- Jiang, J. and G. Klein (1999). "Risks to different aspects of system success." Information and Management **36**(5): 263 - 271.
- Jones, C., W. S. Hesterly, and S. Borgatti (1997). "A General Theory of Network Governance: Exchange Conditions and Social Mechanisms." Academy of Management Review **22**(4): 911-145.
- Kemmis, S. and R. McTaggart (1988). The Action Research Planner. Victoria, Australia, Deakin University Press.
- Keys, B. and Case, T. (1990). "How to become an influential manager." Academy of Management Executive **IV**(4): 38 - 51.
- Klein, H., K. and M. D. Myers (1999). "A Set of Principles for Conducting and Evaluating Interpretive Field Studies in Information Systems." MIS Quarterly **23**(1): 67-89.
- Kotter, J. P. (1990). "What Leaders Really Do." Harvard Business Review **68**(3).
- Kwak, Y. H. and K. S. LaPlace (2005). "Examining Risk Tolerance." Technovation **25**: 691 - 695.
- Langtry, B. (1994). "Stakeholders and the Moral Responsibilities of Business." Business Ethics Quarterly **4**(4): 431 - 443.
- Leana, J. H. and D. M. Rousseau, Eds. (2000). Relational Wealth. New York.
- Lemon, W. F., J. Bowitz, J. Burn, and R. Hackney (2002). "Information Systems Project Failure: A comparative Study of Two Countries." Journal of Global Information Management **April-June 2002**: 28 - 28.
- Leonard, D. and J. F. Rayport (1997). "Spark Innovation Through Empathic Design." Harvard Business Review **75**(6): 102-113.
- Lewis, J.P. (2001). Project Planning, Scheduling and Control: a Hands-on guide to Bringing Projects in On Time and On Budget. New York. McGraw-Hill.
- Lovell, R. J. (1993). "Power and the Project Manager." International Journal of Project Management **11**(2): 73-78.
- Martin, J. (2002). Organizational Culture: Mapping the Terrain. London, Sage Publications.
- McKenna, P. and D. Maister (2002). First Among Equals. New York, The Free Press.
- McNiff, J. and J. Whitehead (2000). Action Research in Organisations. London, Routledge.

- Meredith, J. R. and S. J. Mantel Jr (2000). Project Management: a Managerial Approach. New York, John Wiley and Sons.
- Meyer, J. P. and N. J. Allen (1997). Commitment in the Workplace - Theory, Research, and Application. Thousand Oaks, CA, USA, SAGE Publications.
- Meyerson, D., K. E. Weick, and R. Kramer (1996). Swift trust and temporary groups. in Trust in Organizations: Frontiers of Theory and Research. R. M. Kramer and T. R. Tyler (Eds). Thousand Oaks, California, Sage: 166 - 195.
- Miles, M. B. and A. M. Huberman (1984). Qualitative Data Analysis. Newbury Park, California, Sage.
- Miles, M. B. and A. M. Huberman (1994). Qualitative Data Analysis. Thousand Oaks, California, SAGE Publishing.
- Mitchell, R. K., B. R. Agle, and D. Wood (1997). "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What really Counts." Academy of Management Review **22**(4): 853 - 888.
- Mitroff, I. I. (1983). Stakeholders of the Organizational Mind. San Francisco, Jossey-Bass Publishers.
- Morris, P. W. G. and G. H. Hough (1993). The Anatomy of Major Projects - A Study of the Reality of Project Management. London, Wiley.
- Morrison, V, (2001). "Moral Rights Legislation in Force." Copyright World.
- Neuman, W. L. (2003). Social Research Methods. Boston, Pearson Education Inc.
- Office of Government Commerce UK. (2004, March 2004). "Stakeholder Map." Retrieved 20/5/04, 2004.
- Packendorff, J. (1995). "Inquiring into the temporary organization: new directions for project management research." Scandinavian Journal of Management **11**(4): 319 - 333.
- Parker, L. (2004). Qualitative Research. in Surviving Your Thesis. S. Burton and P. Steane (Eds). London, Routledge: 159 - 177.
- Peled, A. (2000). "Politicking for Success: the missing skill." Leadership and Organisation Development Journal **21**(1): 20 - 29.
- Phillips, R., R. E. Freeman, and A. Wicks (2003). "What Stakeholder Theory is not." Business Ethics Quarterly **13**(4): 479 - 502.
- Pinto, J. K. (1998). Power and Politics in Project Management. Pennsylvania, Project Management Institute.

- Pinto, J. K. (2000). "Understanding the role of politics in successful project management." International Journal of Project Management **18**: 85 - 91.
- Pinto, J. K. and O. P. Kharbanda (1995). Successful Project Managers. New York, Van Nostrand Reinhold.
- Pinto, J. K. and J. E. Prescott (1990). "Planning and tactical factors in project implementation success." The Journal of Management Studies **27**(3): 305 - 328.
- Pinto, J. K., P. Thoms, J. Trailer, T. Palmer, and M. Govekar (1998). Project Leadership: from Theory to Practice. Newtown Square, Pennsylvania, Project Management Institute.
- PMI - Project Management Institute (2003). Organizational Project Management Maturity Model (OPM3). Pennsylvania, Project Management Institute Inc.
- PMI (1996). A Guide to the Project Management Body of Knowledge. Sylva, NC, USA, Project Management Institute.
- PMI (2000). A Guide to the Project Management Body of Knowledge. Sylva, NC, USA, Project Management Institute.
- PMI (2003). A Guide to the Project Management Body of Knowledge. Sylva, NC, USA, Project Management Institute.
- PMI (2004). A Guide to the Project Management Body of Knowledge. Sylva, NC, USA, Project Management Institute.
- Post, J. E., L. E. Preston, and S. Sachs (2002). "Managing the Extended Enterprise: The New Stakeholder View." California Management Review **45**(1): 6 - 28.
- Post, J. E., S. Sauter-Sachs, and L. Preston (2002). Redefining the Corporation: stakeholder management and organizational wealth. Stanford, California, Stanford Business Books.
- Ready, D. and J. Conger (2003). "Why Leadership Development Efforts Fail." Sloan Management Review (Spring 2003): 83 - 88.
- Rousseau, D., S. B. Sitkin, R. Burt, and C. Camerer (1998). "Not so Different After All: A Cross-Discipline View of Trust." Academy of Management Review **23**(3): 393 - 404.
- Rowley, T. J. (1997). "Moving Beyond Dyadic Ties: A Network Theory of Stakeholder Influences." Academy of Management Review **22**(4): 887-910.
- Sauer, C. (1993). Why Information systems Fail: a Case Study Approach. Henley-on-Thames, UK. Alfred Waller.

- Saunders, M., P. Lewis, and A. Thornhill (2003). Research Methods for Business Students. Harlow, England, Prentice Hall.
- Savage, G. T., T. W. Nix, C. Whitehead, and J. Blair (1991). "Strategies for Assessing and Managing Organizational Stakeholders." Academy of Management Executive **5**(2): 61-76.
- Sbarcea, K. and R. Martins. (2003). "The 'temporary knowledge organisation' as viewed from a complexity perspective. An enrichment of the traditional organisational project management paradigm." Retrieved 8 April, 2005, 2004, from www.thinkingshift.com.
- Schein, E. H. (1985). Organisational Culture and Leadership. San Francisco, Jossey Bass.
- Schnebel, E. and M. A. Bienert (2004). "Implementing Ethics in Business Organizations." Journal of Business Ethics **53**: 203 - 211.
- Schneider, M. (2002). "A Stakeholder Model of Organizational Leadership." Organizational Science **13**(2): 209-222.
- Schon, D. A. (1983). The Reflective Practitioner: How Professionals Think in Action, Basic Books.
- Schwalbe, K. (2002). Information Technology Project Management. Boston, Thompson Learning.
- Sekaran, U. (2000). Research Methods for Business. New York, John Wiley & Sons.
- Senge, P. M. (1990). The Fifth Discipline - The Art & Practice of the Learning Organization. Sydney, Australia, Random House.
- Sense, A. J. (2003). "A Model of the Politics of Project Leader Learning". International Journal of Project Management. **21**: 107 - 114.
- Shenhar, A. J. and D. Dvir (2004). How Projects Differ, and What to do about it. in The Wiley Guide to Managing Projects. P. W. G. Morris and J. K. Pinto (Eds). Hoboken NJ, John Wiley & Sons.
- Simmers, C. A. (2004). A Stakeholder Model of Business Intelligence. Proceedings of the 37th International Conference on System Sciences, Hawaii.
- Sotiriou, D. and D. Wittmer (2001). "Influence Methods of Project Managers: Perceptions of Team Members and Project Managers." Project Management Journal (September 2001): 12 - 20.
- Stacey, R. D. (2001). Complex Responsive Processes in Organizations; Learning and Knowledge Creation. London, Routledge.

Standish Group (1994). *The CHAOS Report (1994)*. West Yarmouth, Massachusetts, Standish Group International.

Standish Group (2003). *CHAOS Report 2003*. West Yarmouth, Massachusetts, Standish Group International.

Standish Group (2004). *CHAOS Report 2004*. West Yarmouth, Massachusetts, Standish Group International.

Svendsen, A. C., R. G. Boutilier, R. Abbott and D. Wheeler (2004). *Measuring the Business Value of Stakeholder*. Vancouver, BC, Simon Fraser Centre of Innovation Management. Retrieved from web site: www.cim.sfu.ca, October, 2004.

Svieby, K. E. (1997). *The New Organizational Wealth: Managing and Measuring Knowledge-Based Assets*. San Francisco, Berrett-Koehler Publishers, Inc.

Sweetman, K. (2001). "Embracing Uncertainty." *Sloan Management Review* **43**(1): 8-12.

Tasmanian Government. (2004). "Project Management Guidelines: Stakeholder Management." retrieved in October, 2004 from <http://www.projectmanagement.tas.gov.au>

Theilen, D. (1999). *The 12 Simple Secrets of Microsoft*. New York, McGraw-Hill.

Thomas, J., C. Delisle, (2001). Exploring the "Knowing-Doing" Gap in Project Management, Centre for Innovative Management, Athabasca University.

Thomas, J., C. Delisle, and K. Jugdev (2002). *Selling Project Management to Senior Executives: Framing the Moves that Matter*. Newtown Square, Pennsylvania, Project Management Institute.

Thomsett, R. (2002). *Radical Project Management*. New Jersey, Prentice Hall.

Trompenaars, F. and C. Hampden-Turner (1997). *Riding the Waves of Culture: Understanding Cultural Diversity in Business*. London, Nicholas Brearley.

Turner, J. and R. Cochrane (1993). "The Goals and Methods Matrix: coping with Projects with ill-defined goals and/or methods of achieving them." *International Journal of Project Management* **11**(2): 93 - 102.

Turner, J. R. (1999). *The Handbook of Project-based Management: Improving the processes for achieving strategic objectives*. London, McGraw-Hill.

Turner, J., R. (2002). *The Project Manager as Change Agent*. Proceedings of the Australian Institute for Project Management (AIPM) Conference, Sydney 2002.

Turner, J. R. and C. Veil (2002). "Group efficiency improvement: how to liberate energy in project groups." International Journal of Project Management **20**(2): 137-142.

Turner, J. R. and R. Muller (2003). "On the nature of the project as a temporary organization." International Journal of project Management **21**: 1 - 8.

Vandersluis, C. (1997). "Plan is key to avoiding IT project failures." Computing Canada **23**(9): 20.

Verhuz, E. (1999). The Fast Forward MBA in Project Management. New York, John Wiley and Sons.

Verma, V. K. (1996). Human Resource skills for the Project Manager. Newtown Square, Philadelphia, PMI.

Walker, D. H. T. (2003). Implications of Human Capital Issues. in Procurement Strategies: A Relationship Based Approach. D. H. T. Walker and K. D. Hampson.(Eds) Oxford, Blackwell Publishing: 258-295.

Walsham, G. (1995). "Interpretive case studies in IS research: nature and method." European Journal of Information Systems **4**: 74 - 81.

Weaver, P. and L. Bourne (2002). Projects - Fact or Fiction? Proceedings of PMI Conference: Maximising Project Value, Melbourne, Australia.

Wheatley, M., J. (1999). Leadership And The New Science Discovering Order In A Chaotic World. San Francisco, Berrett-Koehler.

Winch, G. M. (2003). Managing Construction Projects. Oxford, Blackwell Publishing.

Wood, D. J. (1994). Business in Society. Pittsburgh, HarperCollins.

Yin, R., K (1994). Case Study Research. Thousand Oaks, California, Sage.

Appendices for Chapter 1

Appendix A: Progress through the DPM Program

DPM Core Course	Outcomes	Link to this thesis
Leadership	<p>Passed at Distinction (70+%) level. The assignments for this subject were group papers – this allowed me to think outside the corporate world and IT projects to a wider view of projects, including construction projects. Each of the three students contributed one case study from their own experience for each of the papers. This was a rich starting point for reflection on the nature of projects and reasons for their success or failure.</p>	<p>This course triggered interest in:</p> <ul style="list-style-type: none"> • the reasons for project failure • looking at stakeholder management in construction projects as well as in business projects
Leadership Reflective Learning	<p>Passed (P/F options only). The reflections initiated by the group assignments of <i>Leadership</i> led me to looking at what PMs had to do to deliver successful outcomes, beyond maintaining schedules and budgets and other project documentation. The three case studies from the <i>Leadership</i> course work provided the basis (and starting point) for an understanding that failure is <i>perceived</i>, whether by those outside the project or those within the project.</p> <p>Refereed papers resulted directly from this subject: (Bourne and Walker 2003) <i>Tapping into the powerlines – a 3rd Dimension of Project Management, beyond Managing and Leading</i>, (Bourne and Walker 2005) <i>Visualising and Mapping Stakeholder Influence Using a Visualising Tool to Study Stakeholder Influence – Two Australian Studies</i> (submitted to the Project Management Journal)</p>	<p>The data from the case studies and the conclusions from my reflections led me to identify an additional skill that PMs need to acquire – beyond <i>leading</i> and <i>managing</i> – that is based on understanding the politics of the organisation and the willingness to operate in this 3rd Dimension.</p> <p>The concepts inherent in operating in the 3rd Dimension led me to define power, culture organisation and communication in terms of managing project relationships.</p> <p>The concept of ‘mutuality’ (French and Granrose 1995) translated as ‘what does the stakeholder require from the project?’ and ‘what does the project require from this stakeholder?’ has been included in the process and methodology for the <i>Stakeholder Circle</i>TM as Engagement Management where understanding of the ‘mutuality’ aspects of relationship management translates directly into a communications strategy that is targeted to the needs of each prioritised stakeholder.</p>

	<p>(Bourne and Walker 2005) <i>The Paradox of Project Control</i> and the conference papers: (Bourne 2004) <i>Paradox of Project Control</i> and (Bourne and Walker 2005) <i>Stakeholder Chameleon</i>. (Bourne 2004) <i>Paradox of Project Control in a Matrix Organisation</i>. The concept of the 3rd Dimension enriched the application of the <i>Stakeholder Circle</i>TM methodology through the inclusion of the concept of ‘mutuality’ (French and Granrose 1995) translated as ‘what does the stakeholder require from the project?’ and ‘what does the project require from this stakeholder?’</p>	
<p>Procurement and Ethics</p>	<p>Passed at distinction level. The focus on outsourcing and teams enabled me to further develop the concepts of the ‘project environment’ – the seven directions of PM’s influence which formed part of refereed paper (Bourne and Walker 2004) <i>Advancing Project Management in Learning Organisations</i>.</p> <p>Reflection on the question “where do project managers come from?” led to this being included in the research conducted for my dissertation, and the conclusion the concept of accidental project managers is still of concern for the profession of project management.</p> <p>As a result of the data collected in the research I wrote two conference papers (Bourne 2005) <i>The Accidental Project Manager: the journey from reluctance to success</i> and (Bourne 2005) <i>The Accidental Project Manager: the getting of wisdom</i> These papers extended the</p>	<p>This course helped me to understand many of the differences between ICT and construction projects. While it was important to understand the intricacies of the procurement process in the construction industry, my interest was mainly triggered by the sections on outsourcing and partnering. I was able to relate my own experiences in managing outsourced projects and the issues of team formation which go beyond the work of (Tuckman and Jensen 1977) – ‘storming, norming etc’. This enhanced understanding has led the view that is expressed in this thesis of the importance of the PM and the project team in the successful management of project relationships. Part of the case study enquiry is about ‘where do PMs come from?’, ‘How can the project profession support project teams and PMs to be capable and willing to manage project relationships?’ The concept of ‘mutuality’ and the importance of trust in relationships also arose from this coursework.</p>

	discussion commenced in the paper (Bourne and Walker 2004) <i>Advancing Project Management in Learning Organisations</i> .	
Procurement and Ethics Reflective Learning	Passed (P/F option). The paper <i>The Forgotten Stakeholder</i> , which drew on my experiences in delivering a complex ICT project in an outsourced environment resulted from reflection on the material offered in <i>Procurement and Ethics</i> subject	See above for influence of <i>Procurement and Ethics</i> on the development of the research question and research approach.
Project Management Practice 2	I studied <i>Research Methods</i> in place of this subject and passed (P/F option).	The skills and knowledge from this subject is linked to the thesis through the enhancement of my knowledge and skills in research.
Project Management practice 2 Reflective Learning	I received an exemption from this subject based on my extensive experience in project management	
Knowledge Management	Passed at high distinction level (80+%). Contributed to refereed papers (Bourne and Walker 2004) <i>Advancing Project Management in Learning Organisations</i> .	My reflection on how PMs learn and pass on their experience and wisdom were inspired by this course
Knowledge Management Reflective Learning	The refereed paper (Bourne and Walker 2004) <i>Advancing Project Management in Learning Organisations</i> was a direct outcome of the reflection on the learnings from the course applied to my experiences as manager of a group of specialist project managers.	The link to the thesis is the theory and research around how PMs and project teams become capable and willing to operate in the 3 rd <i>Dimension</i> to build and maintain relationships with the ‘right’ stakeholders at the ‘right’ time in the project.

Appendix B

Publications

Resulting from DPM studies

Conference Paper 1

Weaver, P. and L. Bourne (2002). Projects - Fact or Fiction? PMI Conference - Maximising Project Value, Melbourne, PMI Melbourne Chapter.

Abstract

The definition of *projects* used by almost every authority is an inclusive definition i.e.; “a project is a temporary endeavour undertaken to create a unique product, service or result” PMBOK 2000©. This definition can apply equally well to genuine projects, other endeavours (Paul C. Dinsmore “Everything in business is a project or project-related”¹) and to processes that are definitely not projects.

Before the true value of projects to an enterprise can be properly assessed and the responsibilities of a Project Manager identified, the definition of “projects” must be tightened so that endeavours that are not projects are excluded as effectively as endeavours that are projects are included. The addition to the definition of a “project” proposed in this paper is: “a project is a temporary endeavour undertaken to create a unique product, service or result **which the relevant stakeholders agree shall be managed as a project**”.

The effects of this addition to the definition of a project include: -

1. Where the stakeholder group choose not to have a project, the endeavour is managed in some other way.
2. Where the stakeholder group choose to buy into a projectised process, they also *ipso facto* agree to accept the processes and disciplines imposed by project management.
3. The vital importance of Stakeholder Management in the overall project management process is recognised.
4. The role of standard project processes and documentation (eg WBS, Schedule, etc) is refocussed from a search for some absolute truth to the search for stakeholder consensus on the way the project will be undertaken.

Under the enhanced definition proposed in this paper, a project can only exist if its Stakeholder Community agrees. Therefore, knowing the relative importance of the different stakeholders (and stakeholder groups) to the overall project becomes important. A new technique, using the concept of the *Stakeholder Circle*, is described to visualise the relative breadth and depth of power exercised by individual stakeholders. This technique allows project management effort to be focussed where it is most needed and the role of the Project Manager changes from an inward looking focus on managing the project to a wider role that overtly encompasses the management of the Stakeholder Community including:

- Evolving the *Stakeholder Circle* as the project develops and progresses
- Setting and managing stakeholder expectations (eg setting realistic time, cost, scope, quality targets)
- Maintaining the stakeholder consensus

The outcome to be expected from bringing the Stakeholder Community directly into the project management processes, as described in this paper, is to ensure more projects deliver to their full potential to the benefit of their host organisations and the community.

Discussion

This conference was the first time the concept of the *Stakeholder Circle*TM and the importance of a project’s Stakeholder Community was discussed. About 100 attended the session; there was considerable interest expressed in the concept of the power of the stakeholder community over a project’s initiation, continued existence and ultimate success.

Conference Paper 2 (refereed)

Bourne, L. and D. H. T. Walker (2003). Tapping into the Power Lines-A 3rd Dimension of Project Management Beyond Leading and Managing. 17th World Congress on Project Management, Moscow, Russia.

Abstract

Project management is a relatively recent professional discipline. It initially developed out of the construction and defence industry's need to plan, control and manage large, complex series of activities (projects) to produce for example, a hospital, bridge or battleship. From these endeavours arose 'hard' skills for the most commonly accepted project success criteria such as schedule, cost, scope and quality management. However, project management can also be seen as being about managing change, and project managers should be considered as change agents. This is a particularly relevant view when considering non-traditional, non-construction projects such as those in the sphere of IT or business process change.

Successful completion of project deliverables depends on project management of both 'hard' skills (time, cost, scope—1ST Dimension) and 'soft' skills (relationship management—2nd Dimension) throughout the project lifecycle to achieve project objectives that fully address stakeholder expectations. Until recently, the focus of initiatives for improving the practice and profession of project management has been on enhancing techniques and methods for developing hard skills. The development of tools, techniques and frameworks to develop essential soft skills such as managing relationships has been the subject of a much more muted focus. Soft skills are required to facilitate the application of hard skills because it is people who realise projects and not techniques or hardware.

Project management does not occur in a vacuum. It requires an infusion of enthusiasm and commitment powered by the full range of project stakeholder energy sources, particularly from project management colleagues, that can be tapped much like connecting to an energy grid. The key is knowing how and when to connect to this organisational grid and identifying who the key connectors (stakeholders) should be. Without attention to the needs and expectations of a diverse range of project stakeholders, a project will probably not be regarded as successful even if the project manager was able to stay within the original time, budget and scope.

Keywords: project management, stakeholder management, culture, organisation.

Discussion

The presentation supporting this paper was a short 'showcase' of the ideas and concepts described in the paper. The concepts of the three dimensions described in the abstract above used the *Stakeholder Circle*TM to illustrate how the important stakeholders could be identified and acknowledged. Many of those who attended sought to know more about the Stakeholder CircleTM. These interested parties included people from Croatia and Romania, USA, UK, Germany and Italy. It was this interest that caused me to focus on developing the Stakeholder CircleTM into a practical methodology and visualisation tool for the building and developing of robust project relationships.

Conference Paper 3 (refereed)

Bourne, L. (2004). Paradox of Project Control in a Matrix Organisation. PMOZ - Maximising Project value, Melbourne, Australia.

Abstract

This paper explores the hypothesis that, within complex matrix organisations, the 'zone' between the strategic vision set by senior management and the projects created to fulfil it, is a highly complex and dynamic organism. Stimulus to the organism may, or may not produce change. The change may be slight or catastrophic, beneficial or detrimental, and cannot be predicted. Succeeding in this environment needs a different management paradigm from that developed for management in traditional project industries.

Project management evolved in construction / defence / engineering organisations. Typical characteristics found in these organisations include: straightforward 'command and control' structures; well-defined management hierarchy; authority and responsibility reasonably balanced; project objectives clearly understood by most, if not all of the stakeholders.

The characteristics of a complex matrix organisation are completely different. They include: multiple/competing lines of authority; virtual and partial/part time teams; changing scope and divergent objectives; many competing levels and types of authority.

Despite the obvious differences, managers at all levels seem to expect the 'zone' to always react to management stimuli in the same way. When unexpected outcomes eventuate, the reaction of senior management is to see the project process as being 'out of control'. The solution of choice is usually to introduce more or better control mechanisms such as new KPIs: the assumption being that an adjustment to the controls at the top of a matrix organisation will have predictable outcomes at the lower levels inhabited by projects and project managers. This almost never eventuates because the only certainty in the 'zone' is unpredictability!

Projects deliver change, but are not just about change management. Implementing change successfully became more difficult to achieve as organisations moved from the relatively simple functional structure to the complexity of the matrix structure. The dynamics of the global economy and the ensuing increased complexity had consequences for organisations and their people. These consequences impacted on the individual's increasing uncertainty about his/her role; the ensuing anxiety lowered productivity, leading to an increasing focus by the organisation's senior management for more and more control. The challenge now for project managers is to deliver successful projects in a climate of change and uncertainty within an organisational framework that responds to this change and uncertainty by imposing more control.

Discussion

This paper relates directly to my experiences working in the corporate world, where senior management intervention often caused project schedules and outcomes to become more uncertain than they were before that intervention. Using the learnings from these experiences and the input from the DPM coursework and my colleagues, I was able to construct a theory based on the *3rd Dimension* concepts and the *Stakeholder Circle*TM methodology that sought to explain the 'zone of unpredictability' – the place between corporate strategy and the projects designed to fulfil it. The presentation solicited a great deal of interest, particularly from conference attendees that were working in corporate organisations.

This conference paper was reprinted in Projects and Profits, February 2005, ICFAI University Press, Hyderabad, pp57 – 67.

Conference Paper 4

Bourne, L. (2004). The Paradox of Project Control in a Matrix Organisation. UK International Performance Management Symposium, London.

Abstract

This paper explores the hypothesis that, within complex matrix organisations, the 'zone' between the strategic vision set by senior management and the projects created to fulfil it, is a highly complex and dynamic organism. Stimulus to the organism may, or may not produce change. The change may be slight or catastrophic, beneficial or detrimental, and cannot be predicted. Succeeding in this environment needs a different management paradigm from that developed for management in traditional project industries.

Managers at all levels seem to expect the 'zone' to always react to management stimuli in the same way. When unexpected outcomes eventuate, the reaction of senior management is to see the project process as being 'out of control'. The solution of choice is usually to introduce more or better control mechanisms: the assumption being that an adjustment to the controls at the top of a matrix organisation will have predictable outcomes at the lower levels inhabited by projects and project managers. This almost never eventuates because the only certainty in the 'zone' is unpredictability!

The paradigm shift in management thinking needed to succeed in managing projects across the 'zone' is acceptance that the outcome from any management input to the 'zone' is unpredictable. To succeed, managers need to combine vigilance and flexibility; to identify and capitalise on unexpected gains and deal with unexpected problems. Communication networks and more flexible management of relationships are keys to resolving problems and creating success in the dynamic ever-changing environment of the 'zone'.

The dynamics of the global economy and the ensuing increased complexity had consequences for organisations and their people. These consequences impacted on the individual's increasing uncertainty about his/her role; the ensuing anxiety lowered productivity, leading to an increasing focus by the organisation's senior management for more and more control. The challenge now for project managers is to deliver successful projects in a climate of change and uncertainty within an organisational framework that responds to this change and uncertainty by imposing more control.

Discussion

This paper was presented at a project performance symposium, and so the focus was on providing project managers with insights into the processes of senior management control and how to use targeted and appropriate performance management reporting to ensure that senior management trusted the project manager and regarded him/her as competent to manage through the 'zone' of unpredictability'.

The feedback I received at this conference was from project managers who commented that they had new insights into the process and how to manage within it.

Refereed Journal Paper 1

Bourne, L. and D. H. T. Walker (2004). "Advancing Project Management in Learning Organizations." The Learning Organization 11(3): 226 - 243.

Abstract

Effective project managers are required to have both "hard" technical skills to help control the iron triangle of time, cost and functional scope as well as relationship management skills to work effectively with people and get the best out of them. This paper argues that project managers also need a third skill: we refer to it as tapping into the power lines. This is a skill beyond the management of schedules, budgets and milestones, beyond leading project teams or managing suppliers and users, and even beyond what is commonly regarded as managing a project's senior stakeholders. The hypothesis, based on data gathered from three case studies, is that there is a need for project managers to be skilled in managing at the third dimension in large organizations; to understand the need for, have the ability, and be willing, to "tap into the power grid" of influence that surrounds all projects, particularly in large organizations. Without third dimension skills, project managers and their organizations will find delivering successful project increasingly more difficult. The second part of this paper will discuss how project managers might achieve competence in managing the third dimension both through individual effort and with the support of the learning organization.

Discussion

This paper arose out of the combination of coursework from the DPM subjects *Knowledge Management* and *Leadership*, and builds on concepts explored in Conference Paper 2 (Bourne and Walker 2003).

Conference Paper 5

Bourne, L. and D. H. T. Walker (2005). Stakeholder Chameleon. PMI Global Conference, Singapore, PMI.

Abstract

This paper describes the results of a number of case studies undertaken as part of a Doctor of Project Management research project that suggests the 'correct' approach to engaging stakeholders is different for every project, even when the stakeholders are the same people.

The case studies used the *Stakeholder Circle*TM to identify, prioritise and visualise the relative influence of each stakeholder. This tool implements a straightforward methodology that allows any project team to make a meaningful assessment of its stakeholders and understand their relative power and influence.

Two of the case studies examine a construction project and an ICT project undertaken within the same organisation that effected the working environment of a common group of people.

The results of the analysis showed significant differences in the processes needed to manage the respective groups. The project teams recognised they needed to adopt significantly different strategies to achieve stakeholder engagement, leading to stakeholder satisfaction and a successful project.

The conclusions to be drawn from these case studies include:

- *Undertaking a formal stakeholder analysis assists in delivering successful projects.
- *There are many similarities and synergies between stakeholder and risk management.
- *Using a standardised methodology (such as the Stakeholder Circle) contributes to the effectiveness of the analysis process.
- *The same person can exhibit significant differences in his/her characteristics as a stakeholder when impacted by projects of a different type.
- *There are demonstrable differences in the behaviours of the stakeholder community between ICT and construction projects.
- *These differences change the demands placed on the project management process to deliver successful outcomes.

Discussion

At this conference, the organisers (PMI HQ) distributed evaluation forms; and published the results of these evaluations. For the question: *Delivery was effective way to learn subject matter*, the response from 48 attendees was:

16.7% *strongly agree*; 52.85% *agree*; 27.85% *neutral* and 2.8% *disagree*.

A second question: *Overall satisfaction with session*, provided the following results:

11.4% *strongly agree*; 65.7% *agree*; 20% *neutral* and 2.9% *disagree*.

The questions and discussions arising from this presentation resulted in an offer for partnership in distributing the *Stakeholder Circle*TM from a software house located in South Africa.

Refereed Journal Paper 2

Bourne, L. and D. H. T. Walker (2005). "Visualising and Mapping Stakeholder Influence." Management Decision 43(5): 649 - 660.

Abstract

The purpose of this paper is to offer insights into a tool that one of the authors has developed to help map, and thus visualise, stakeholder power and influence within the performing organisation. The concept described in this paper has been tested at several large international gatherings to well over 200 active professional project managers. The feedback to date has been very positive. This positive feedback led to testing of these ideas through research being conducted during 2004/2005 by one of the authors who is a candidate for the Doctor of Project Management (DPM) at RMIT. The research is centred around this tool, the Stakeholder Circle, as a means to provide a useful and effective way to visualise stakeholder power and influence that may have pivotal impact on a project's success or failure. The Stakeholder Circle tool is developed for each project through a methodology that identifies and prioritises key project stakeholders and then develops an engagement strategy to build and maintain robust relationships with those key stakeholders.

Keywords: project management, stakeholder management, culture.

Discussion

This paper is the result of continuing integration of research from the literature and research conducted as part of this dissertation.

Refereed Journal Paper 3

Visualising Stakeholder Influence – Two Australian Examples

(Submitted to Project Management Journal, Jan 2005)

Abstract

Purpose of this paper

This paper will introduce and illustrate a tool for measuring and visualising stakeholder influence for managing projects drawing upon two case study examples. Development of the tool was based upon stakeholder and project management theory and it extends our appreciation of the potential impact that stakeholders may exert that unearths vital risk management and customer relationship implications for the project management profession.

Design/methodology/approach

Using a case study and action learning approach, this paper draws upon emerging project management and wider strands of management decision-making literature. The paper is exploratory in nature and the case studies used provide a useful vehicle for reflection and sense making.

Findings

The results of the analysis showed significant differences in the processes needed to manage the respective groups. The project teams recognised they needed to adopt significantly different strategies to achieve stakeholder engagement, leading to stakeholder satisfaction and a successful project. The tool was found by the case study respondents to be useful and that it also complements and enhances risk management approaches.

Research implications

Key implications include the need for those involved in project management in these conditions to be politically astute and sensitive to the needs and pressures of a wide range of project stakeholders. A tool the *Stakeholder Circle*TM, for visualising the influence of stakeholders can be of considerable use and we argue that it be required to cope with the complex issue of stakeholder engagement.

Keywords

Management Styles; Stakeholders, Project Management, Risk Management

Discussion

This paper summarises findings from the research conducted for this dissertation.

Refereed Journal Paper 4

Bourne, L. and D. Walker (2005). "The Paradox of Project Control." Team Performance Management Journal (Summer 2005).

Abstract

Purpose of this paper

This paper will explore and illustrate a case study example of the decision making process that occurs within complex project management matrix organisations. It exposes a murky and complex 'zone' of decision making between the strategic vision set by senior management and the operational decision making to coordinate work to realise projects.

Design/methodology/approach

Reflections of one of the authors on a case study from her experience are used to illustrate the observed decision-making occurring in this 'zone'. The paper draws upon emerging project management and wider strands of management decision-making literature. The paper is exploratory in nature and the case study used provides a useful vehicle for reflection and sense making.

Findings

The 'zone' is metaphorically described as a highly complex and dynamic organism where the required decision-making style to deliver the often-contradictory project objectives is best categorised as agile, to cope with the somewhat chaotic nature of operating in 'the zone'. The conclusions indicate that a hierarchical command-and-control oriented rational decision-making approach is counter-productive in these circumstances.

Research implications

Key implications include the need for those involved in project management in these conditions to be politically astute and sensitive to the needs and pressures of a wide range of project stakeholders. A tool for visualising the influence of stakeholders can be of considerable use and an adaptive, flexible and agile style of decision-making is argued to be required to cope with the inherent uncertainty, complexity and chaos found in the type of project illustrated by the case study.

Keywords

Management Styles; Organisational Forms, Project Management, Decision-making

Conference Paper 6 (refereed)

Bourne, L. (2005). The Accidental Project Manager: the journey from reluctance to success. PMoZ 2005: Making it Happen, Brisbane, Australia.

Abstract

The ever increasing demand for more project managers is creating divergent pressures on the project management profession.

In one direction, project managers are seeking training and accreditation as a means of increasing their professionalism, raising their profile and making themselves more marketable in a competitive market. However, many organisations, with limited understanding of the 'profession and practice' of project management still appoint almost anyone to the role of project manager, keeping the concept of the 'accidental project manager' alive and flourishing.

The 'accidental project manager' has lived in the folklore of business projects for a generation. 'Accidental project manager' are individuals assigned to projects because they were available, not because they had any project management knowledge or skills. Some 'accidental project managers' have been remarkably successful; but many find themselves blamed for problems and project failures they were ill equipped to prevent.

Professional publications have tended to focus on what project managers require to be successful (or competent). Some research has been done on the phenomenon of 'accidental project manager', but very little on how a person entering the profession accidentally can move from 'naïve' to 'experienced' to 'successful'.

Points covered by the paper will include:

A review of the literature around 'accidental project managers' supported by insights from the author's own research.

A typology of experience to understand the journey from 'naïve' to 'successful'.

A methodology to support the project manager and team in establishing and managing relationships for project success.

Ways that organisations and the profession can support the project manager through this journey with particular emphasis on the major leap from 'experienced' to 'successful' by applying a methodological and wisdom-based approach to project and organisation relationships.

Propose tools and techniques for turning the 'accidental project manager' into the 'successful project manager'.

Discussion

This paper is a result of gaps that were identified in the literature review for this dissertation.

Conference Paper 7

Bourne, L. (2005). The Accidental Project Manager: the getting of 'wisdom' JAFAs: Juggling Anarchy with Fearless Ability, Auckland, New Zealand.

Abstract

The ever increasing demand for more project managers, driven in part by the improving world economy and in part by the recognition that 'projects' deliver benefits for business, is creating conflicting pressures on the people within and entering the project management profession.

In one direction, project managers are seeking training and accreditation as a means of increasing their professionalism. In the other many organisations, with limited understanding of the 'profession and practice' of project management, continue to appoint almost anyone to the role of project manager keeping the concept of the 'accidental project manager' alive and flourishing.

This paper will examine the literature around this subject, contribute insights from the author's DPM research on project relationships and then discuss ways to assist project managers develop personally so that they can actively contribute to the success of their projects.

The author will propose tools and techniques for turning the 'accidental project manager' into the 'successful project manager' and describe the journey from 'naïve' to 'experienced' to 'successful'; as well as suggesting ways that organisations and the profession can support the project manager through this journey.

Discussion

This paper builds on the discussion developed for PMOz 2005 and describes the *Stakeholder Circle*TM as one tool that will support a novice or accidental PM in reducing the risks of project failure.

Presentations to Australian Project Management Communities of Practice

PMI Melbourne Chapter meeting

In **August 2003**, I was invited to repeat the presentation I delivered at the IPMA Global congress in Moscow. An audience of around 100 project managers attended a monthly Melbourne Chapter meeting, and expressed interest in the concepts of the *Stakeholder Circle*[™] and relationship management.

PMI presentation to NAB Project Management Community

August, 2004: I attended a panel discussion on project management in different industries at National Australia Bank – Project Community Forum. The email below was a result of comments I made on my research, and an invitation to return to discuss the findings of the research. There were over 100 project managers in attendance.

Hi Lynda

Thankyou so much for your participation in our recent Project Community Forum. The cross-industry panel format was a 'first' for us and we received a lot of positive feedback on the concept and the presentations. Your insights into aspects of organisational maturity and the importance of stakeholder management were of particular interest to the assembled audience of project professionals.

It would be wonderful to have you back as a guest speaker at a future Forum, given your wide ranging experience and your very interesting research work. The 2004 program is full, but I would be delighted if you would join us early in 2005. Perhaps, as you suggested in our brief discussion last week, you could present at the start of the year on the focus of your research and your initial hypotheses, and then towards the end of the year we could have you back to present your findings.

Again, my thanks for giving so generously of your time and expertise last week.

*Paula Hurley
Communications Adviser
PGCI/Projects in the National*

Second Presentation to the NAB PM Community Forum

February 2005: Over 200 people attended this presentation. Below was the invitation from the NAB. There was no time for questions; the agenda included some announcement about changes within the NAB IT structure.

Hi Lynda

You may recall our correspondence from several months ago after you kindly participated in our August Project Management Cross-Industry Panel. Your talk on stakeholder management ignited a lot of interest and we subsequently arranged for you to give an presentation at our Project Community Forum in February. I'm now promoting this Forum to our project community (before they all go on holidays) and wanted to check that you were still available to do it on February 16th, between 8.30am - 10.00am.

Also, I'm giving the Feb Forum a 'plug' at our end of year December event on Thursday morning and wondered if you could offer me a tentative presentation title - it doesn't by any means have to be the one you eventually

Appendices

use! Just something to give a taste of what you'll cover. I know it is going to be on an aspect of stakeholder management - can you give me anything more specific?

Thanks Lynda.

*Paula Hurley
Communications Adviser
PGCI/Projects in the National*

Second Presentation to PMI Melbourne Chapter

June 2005: I was invited to repeat the Singapore PMI Global Congress: *The Stakeholder Chameleon*. This meeting was fully booked by members interested in the subject matter – over 130 project managers attended. The response was highly interested, with many attendees commenting on the *Stakeholder Circle*TM and its potential usefulness for managing project relationships.

As a result of this presentation I have been asked to present a proposal to a State Government department for the implementation of the methodology and tool. This is the first commercial application for the tool.

Bourne, L. and D. Walker (2005). "The Paradox of Project Control." Team Performance Management Journal (Summer 2005).

Bourne, L. (2005). The Accidental Project Manager: the journey from reluctance to success. PMoZ 2005: Making it Happen, Brisbane, Australia.

Bourne, L. (2005). The Accidental Project Manager: thriving, surviving or dying out? JAFAs: Juggling Anarchy with Fearless Ability, Auckland, New Zealand.

Bourne, L. and D. H. T. Walker (2005). Stakeholder Chameleon. PMI Global Conference, Singapore, PMI.

Bourne, L. and D. H. T. Walker (2005). "Visualising and Mapping Stakeholder Influence." Management Decision **43**(5): 649 - 660.

Bourne, L. and D. H. T. Walker (2004). "Advancing Project Management in Learning Organizations." The Learning Organization **11**(3): 226 - 243.

Bourne, L. (2004). Paradox of Project Control in a Matrix Organisation. PMOZ - Maximising Project value, Melbourne, Australia.

Bourne, L. (2004). The Paradox of Project Control in a Matrix Organisation. UK International Performance Management Symposium, London.

Bourne, L. and D. H. T. Walker (2003). Tapping into the Power Lines-A 3rd Dimension of Project Management Beyond Leading and Managing. 17th World Congress on Project Management, Moscow, Russia.

Appendices for Chapter 2

Appendix C – project characteristics and technological uncertainty levels (Shenhar and Dvir 2004)

Variable	Low-Tech	Medium -Tech	High-Tech	Super High-Tech
Technology	No new technology	Some new technology	New, but existing technology	Key technologies do not exist at project's initiation
Typical Industries	Construction, production, utilities, public works	Mechanical, electrical, chemical, some electronics	High-tech and technology-based industries: computers, aerospace, electronics	Advanced high-tech and leading industries: electronics, aerospace, computers, biotechnology
Type of products	Buildings, bridges, telephone installation, build-to-print	Non-revolutionary models, derivatives or improvement	New, first of its kind family of products, new military systems (within state of the art)	New non-proven concept beyond existing state of the art
Development and testing	No development, no testing	Limited development, some testing	Considerable development and testing. Prototypes are usually used during development	Development of key technologies needed. Small-scale prototype is used to test concepts and new technologies
Design cycles and design freeze	Only one cycle. Design freeze before start of project execution	One or two cycles. Early design freeze, in first quarter	At least two to three cycles. Design freeze usually during second quarter.	Three to five cycles. Late design freeze, usually during third or even fourth quarter
Communication and interaction	Mostly formal communication during scheduled meetings	More frequent communication, some informal interaction	Frequent communication through multiple channels; informal interaction	Many communication channels; informal interaction encouraged by management
Project manager and project team	Administrative skills. Mostly semiskilled workers, few academicians	Some technical skills. Considerable proportion of academicians	Manager with good technical skills. Many professionals and academicians on project team	Project manager with exceptional technical skills. Highly skilled professionals and many academicians
Management style and attitude	Firm style. Sticking to the initial plan	Less firm style. Readiness to accept some changes	More flexible style. Many changes are expected.	Highly flexible style. Living with continuous change, 'looking for trouble'.

Appendix D – Project Characteristics and System Scope Levels (Shenhar and Dvir 2004)

	Assembly (Low complexity)	System (medium complexity)	Array (high complexity)
Definition	A collection of components and modules in one unit, performing a single function	A complex collection of assemblies that is performing multiple functions	A widespread collection of systems functioning together to achieve a common mission
Examples	A system's power supply; a single functional service	A complete building; a radar; an aircraft; a business unit	A city's highway system; an air fleet. A national communication network; a global corporation
Customers	Consumers or a subcontractor of a larger project.	Consumers, industry, public, government or military agencies	Public organisations, governments or military agencies
Form of purchase and delivery	Purchase or a simple contract; contract ends after delivery of the product	Complex contract; payments by milestones; delivery accompanied by logistic support	Multiple contracts; sequential and evolutionary delivery as various components are completed.
Project organisation	Performed within one organisation, usually under a single functional group. Almost no administrative staff in project organisation	A main contractor, usually organised in a matrix or pure project form many internal and external subcontractors technical and admin staff	Umbrella organisation – usually a program office to coordinate subprojects; many staff experts: technical, admin, finance, legal
Planning	Simple tools, often manual; rarely more than 100 activities in the network	Complex planning; advanced computerised tools and software packages; hundreds or thousands of activities	A central master plan with separate plans for subprojects; advanced computerised tools; up to ten thousand activities
Control and reporting	Simple, in-house control; reporting to management or main contractor	Tight and formal control on technical, financial, and schedule issues; reviews with customers and managers	Master or central control by program office; separate additional control for subprojects; many reports and meetings with contractors
Documentation	Simple, mostly technical documents	Many technical and managerial formal documents	Mostly managerial documents at program office level; technical and managerial documents at lower level
Style, attitude, and concern	Mostly informal style; family like atmosphere	Formal, bureaucratic; informal relationship with subcontractors, customers; political and interorganisational issues	Formal, tight bureaucracy; high awareness to political environmental and social issues

Appendix E: Product Novelty Levels and their major impact on project management (Shenhar and Dvir 2004)

Product Novelty	Derivative (low)	Platform (medium)	Breakthrough (high)
Definition	An extension or improvement of an existing product	A new generation in an existing product family	A new-to-the-world product
Data on Market	Accurate market data exists	Need extensive market research. Careful analysis of previous generations, competitors, and markets	Nonreliable market data Market needs not clear. No experience with similar products
Product Definition	Clear understanding of required cost, functionality, features. Early freeze of product requirements	Invest extensively in product definition. Involve potential customers in process. Freeze requirements later, usually at mid-project	Product definition based on intuition and trial and error. Fast prototyping is necessary to obtain market feedback. Very late freeze of requirements
Marketing	Emphasise product advantages in comparison to previous model. Focus on existing as well as gaining new customers based on added product features and varieties.	Create product image. Emphasis product advantages. Differentiate from competitors.	Creating customer attention. Educating customers about potential of product. Articulate hidden customer needs. Extensive effort to create the standards.

Appendices for Chapter 3

Examples of Stakeholder Circle™ worksheets

F - Stakeholder Identification worksheet

G - Stakeholder Assessment worksheet

H - Stakeholder Engagement worksheet



© Mosaic Project Services Pty Ltd

Data Date 7-Sep-2004

Stakeholder Identification - Council 1 Project -

Line #	Name	Direction	Role	Significance to Project	Requires from Project
1	Councillors	U	Represent residents		
2	David XXXX	U	Sponsor Project Team reports to DY Holds budget	Represents project to Councillors and Senior Management	Successful delivery of SAM part of KRA - delivery to: stakeholder satisfaction according to scope and quality requirements on budget on schedule
3	General Management Team (GMT)	U	High level governance *constitution of Steering C'tee decision to come from GMT	High level governance *constitution of Steering C'tee decision to come form GMT	Successful delivery of SAM
4	CEO	U	Responsible to Councillors	Represents project to Councillors and Senior Management	Successful delivery of SAM part of KRA - delivery to: stakeholder satisfaction according to scope and quality requirements on budget on schedule
5	Info Management Co-ord C'tee (IMCC)	U	Allocation of Budget (already allocated)	Promotion of SAM benefits to wider community of CoPP	Successful delivery of SAM (especially benefits)
6	IM Group	U	Major impact to SAM design and delivery	Suppliers of IT resources	Accurate and timely resource schedule
7	D Graham	U	Holds 'purse strings' of CoPP Significant member of GMT, support for DY	Provision of resources and support at GMT level	Improved asset accounting - outputs of will feed into financial reports and provide more complete data for auditors



Stakeholder Assessment - Council 1 Project -

Sort Line # Sort Index

Reset Priority

Line #	Name	Direction	Role	Significance to Project	Requires from Project	Power	Prox.	Urg
2	David XXXX	U	Sponsor	Represents project to Councillors	Successful delivery of SAM part of	4	2	3
28	K D and K W and K X	D	Project Team	Drivers of project delivery and	Commitment to ensure quality, 'buy-	3	4	3
4	CEO	U	Responsible to	Represents project to Councillors	Successful delivery of SAM part of	4	1	3
3	General Management Team	U	High level governance	High level governance	Successful delivery of SAM	4	1	2
29	Core team for Stage 1	D	Lead implementation in	Lead implementation	Recognition that roles will compete	3	3	2
33	IT specialists assigned to	D	Dedicated back office	Dedicated back-office support +	Planned allocation to project through	3	3	2
22	Peter XXX	S	IS Manager	Appropriate allocation of resources	Forward information of resourcing	3	2	2
6	IM Group	U	Major impact to SAM	Suppliers of IT resources	Accurate and timely resource	3	1	2
35	Contractors from successful	D	design, build and	Develop solution to Council1	Complete and appropriate	2	3	2
31	Asset Specialists (Stage 1)	D	Operational - Provide	Champions in own area for	Support for staff working on	2	2	2
32	Asset Specialists (Stage	D	Operational - Provide	Champions in own area for	Support for staff working on	2	2	2
9	Auditors	O			Accurate reporting on assets to	1	1	3
18	supplier	O	Provision of resources for	Essential - supplier of contractors	Clear articulation of requirements	2	2	1
24	Functional Managers (affected	S	KD's peers	Peer-to-peer collaboration and	Consistent consultation to	2	2	1
1	Councillors	U	Represent residents			2	1	1
7	D G	U	Holds 'purse strings' of	Provision of resources and support	Improved asset accounting - outputs	1	1	2
8	D. F	U	CFO (not part of GMT)		Improved data for stats and	1	1	2
26	Steering Group (currently	S	Evaluation of tender -	Representing progress and issues at	Successful delivery of SAM part of	1	1	2
36	IT training coordination	D		1.'Properly' trained users by 'go-live'	Detailed schedule clearly defining	1	1	2
17	End Users *(need to actively	O	Power, proximity and	Users of SAM solution	Well-planned implementation and	1	2	1
27	Other Councils using the	S	Product user group	Provision of lesson learned from	Sharing of knowledge	1	2	1
5	Info Management Co-ord	U	Allocation of Budget	Promotion of SAM benefits to wider	Successful delivery of SAM	1	1	1
14	Contracted service suppliers	O				1	1	1
15	Unions	O	Possible concern for			1	1	1
21	residents and ratepayers	O	Not directly connected to			1	1	1
23	IS staff	S		Skills required for solution	Planned allocation to project through	1	1	1
25	Other Functional Managers	S		Peer-to-peer collaboration and	Consistent consultation	1	1	1
30	Core team for subsequent	D	Lead implementation in	Lead implementation effort at	Recognition that roles will compete	1	1	1
34	Risk Management specialists	D		Provision of required skills	Planned allocation to project through	1	1	1
12	asset mgrs (PCs, art,	O				1	0	1



Stakeholder Engagement - Council 1 Project -

Sort Sort

Name	Direction	Role	Significance to Project	Requires from Project	Priority	Interest	Support	M #	Method(s)	Team Member(s)	W/F/M/ Other
Councillors	U	Represent			15						
David XXXX	U	Sponsor Project Team reports to DY Holds budget	Represents project to Councillors and Senior Management	Successful delivery of SAM part of KRA - delivery to: stakeholder satisfaction according to scope and quality requirements on budget on schedule	1	5	4		I + F W + O	KD	W
General Management Team (GMT)	U	High level governance *constitution of Steering C'tee	High level governance *constitution of Steering C'tee decision to come form GMT	Successful delivery of SAM	4	4	4		I + F W + O	DY	
CEO	U	Responsible to Councillors	Represents project to Councillors and Senior Management	Successful delivery of SAM part of KRA - delivery to: stakeholder satisfaction according to scope and quality requirements on budget on schedule	3	5	4		I + F W + O	DY	M
Info Management	U	Allocation of Budget (already	Promotion of SAM benefits to wider community of CoPP	Successful delivery of SAM (especially benefits)	22						
IM Group	U	Major impact to SAM design and	Suppliers of IT resources	Accurate and timely resource schedule	8	4	4		I + F W + O	Kevin and Keith	M
D G	U	Holds 'purse strings' of CoPP Significant member of GMT,	Provision of resources and support at GMT level	Improved asset accounting - outputs of will feed into financial reports and provide more complete data for	16	4	4		F + I	DY	ad hoc
D. F	U	CFO (not part of GMT)		Improved data for stats and operational reports	17	4	4		F + I	Kathy, keith and Kevin	M
Auditors	O			Accurate reporting on assets to support pre-emptive action	12	2	3		W F	KD briefs Finance	as required
residents/ visitors/	O				31						
Utilities - telco, energy,	O				32						
asset mgrs (PCs, art,	O				30						

Appendix I – Key Assessment and Engagement Factors



Stakeholder Characteristics eASA Project Key Factors

Power

- 4 High capacity to formally instruct change (ie, can have the project stopped)
- 3 Some capacity to formally instruct change (eg, must be consulted or has to approve...)
- 2 Significant informal capacity to cause change (eg, a supplier with input to design)
- 1 Relatively low levels of power (ie, cannot generally cause much change)

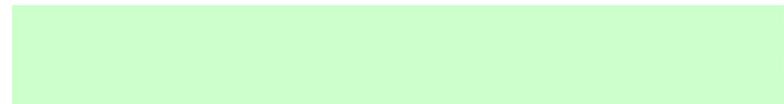
Proximity

- 4 Directly working in the project (eg, team members working on the project most of the time)
- 3 Routinely working in the project (eg, part time members of the project team, external suppliers and active sponsors)
- 2 Detached from the project but has regular contact with, or input to, the project processes (eg, clients and most senior managers)
- 1 Relatively remote from the project (ie, does not have direct involvement with the project processes)

Urgency / Importance (Team action required)

- 5 Immediate action is warranted, irrespective of other work commitments
- 4 Urgent action is warranted provided it can be accommodated within current commitments
- 3 Planned action is warranted within a relatively short timeframe
- 2 Planned action is warranted within the medium term
- 1 There is little need for action outside of routine communications

Relative Weighting (Value 1 to 9)



4	Power	0.01	4.01
2	Proximity	0.003	2.003
4	Urgency	0.0007	4.0007

© Mosaic Project Services Pty Ltd 2004
Support Tel: (03) 9696 8684

Directions of Influence

Defined in 'Tapping the Power Lines' and 'Project Fact or Fiction' papers - available for downloading from www.mosaicproject.com

U	Upwards	Influencing senior and functional managers to maintain organisational commitment
D	Downwards	Managing the project team including contractors and workers
S	Sideways	Managing relationships with peers for collaboration rather than competition
O	Outwards	Managing suppliers, vendors, users and external stakeholders
I	Inwards	Managing oneself (limited relevance to SHC)
F	Forwards	Project tools and techniques - procurement and planning (not included in SHC assessments)
B	Backwards	Project tools and techniques - controls and 'lessons learned' (not included in SHC assessments)

Interest

5	Committed
4	Interested
3	Ambivalent
2	Not interested
1	Antagonistic

Support

5	Active support
4	Passive support
3	Non-committal
2	Passive opposition
1	Active opposition

Communication Method

I	Informal
F	Formal
W	Written
O	Oral

Appendices for Chapter 4

Appendix J – Evaluation sheet for Workshop 1

Stakeholder identification

Please describe your job role:

1. Rate the importance of stakeholder management to this role (please circle the appropriate rating):

1 – not important 2 3 4 5 – very important

2. Rate the importance of stakeholder identification, prioritisation and management to the achievement of your organisation's business drivers:

1 – not important 2 3 4 5 – very important

3. Rate the importance of members of your organisation maintaining a common view of stakeholders:

1 – unimportant 2 3 4 5 – very important

4. If stakeholders are drawn from all aspects of the project and organisation (within and outside), rate your confidence in being able to identify, prioritise and engage these stakeholders using this methodology:

1 – no confidence 2 3 4 5 – very confident

5. Rate the likelihood of you or your group using today's workshop method again:

1 – not at all likely 2 3 4 5 – very likely

6. What worked well?

7. What needs improving? How could it be improved?

Many Thanks, Lynda

Appendix K - Evaluation sheet for Workshop 2

Stakeholder engagement and Communication strategy

Please describe your job role:

1. Rate the importance of stakeholder engagement to this role (please circle the appropriate rating):

1 – not important 2 3 4 5 – very important

2. Rate the importance of stakeholder engagement to the achievement of your organisation's business drivers:

1 – not important 2 3 4 5 – very important

3. Rate the importance of members of your organisation maintaining a common view of stakeholders:

1 – unimportant 2 3 4 5 – very important

4. If stakeholders are drawn from all aspects of the project and organisation (within and outside), rate your confidence in being able to manage relationships with these stakeholders using this methodology:

1 – no confidence 2 3 4 5 – very confident

5. Rate the likelihood of you or your group using today's workshop method again:

1 – not at all likely 2 3 4 5 – very likely

6. What worked well?

7. What needs improving? How could it be improved?

Many Thanks, Lynda

Appendix L – Executive Interview Questions

Org chart and place and role in org hierarchy....

What is your role in the organisation?

How long have you been performing this role?

What is your background?

With respect to the project can you describe your role?

*What are your expectations of the Project Manager and Project Team?
How will you communicate these expectations to them?*

Have you had other stakeholder roles over your career?

How would you define a successful project – and an example of one

How would you define an unsuccessful project – an example?

How do you communicate to your management? What is important in these communications?

How do you communicate your staff? What is important in these communications?

How do you communicate your peers? What is important in these communications?

How do you communicate to other stakeholders? What is important in these communications?

How do people come to understand the need to 'play' politics?

Appendix M – Project manager questions

Org chart or place and role in organisation?

What is your role in the organisation? If contractor, what is your other role?

How long have you been performing this (these) role(s)?

What is your background?

With respect to this current project can you describe your role? How have you had to modify to fit into org PM requirements

Are you managing other projects?

*What are your expectations of the Project Sponsor and Project Team?
How will you communicate these expectations to them?*

Who else in the organisation would you describe as important stakeholders?

Have you had any stakeholder roles over your career?

What types of projects do you usually manage?

How would you define a successful project – and an example of one

How would you define an unsuccessful project – an example?

Appendix N sample contact summary sheet

Contact summary sheet

Contact type:

Visit _____

Phone _____

Email _____

(who was contacted)

Site: _____

Contact date: _____

Today's date: _____

What were the main issues or themes?

What information was collected?

What am I learning?

What else do I need?

Appendix O – Sample Letter



RESEARCH
DEVELOPMENT UNIT

July 5, 2004

FACULTY OF
DEPARTMENT OF

Name of participant:
Project Title:

BUSINESS

RESEARCH DEVELOPMENT UNIT

Lynda Bourne

An investigation into the use of a tool - the Stakeholder Circle - to provide support for project manager and project team for managing the project's stakeholders. The tool will act as the basis for collecting data that will advance the practice of project management through developing a greater understanding of the effects that organisational culture and policy have on project success or failure.

Name(s) of investigators:

Ms Lynda Bourne 03 96861424

Level 13
239 Bourke Street
Melbourne 3000
Victoria Australia

Tel +61 3 9925 1408
Fax +61 3 9925 5595
Email rdu@rmit.edu.au
www.rmit.edu.au/bus/rdu

David XXXXXX
Executive Director XXXXX XXXXX
City of XXXXX

Dear David

I am a research candidate in the Doctor of Project Management (DPM) program at RMIT University. The purpose of the DPM program is to advance project management practice through original and practical research into project issues. To date, my academic qualifications comprise a Grad Dip in Computing and a Bachelor of Arts (with Honours) majoring in Social Studies of Science.

I am writing to request the assistance of your organisation in providing data to support my research project, the purpose of which is - *to provide support for project manager and project team to manage the project's stakeholders through use of the visualisation tool – the Stakeholder Circle. The tool will act as the basis for collecting data that will advance the practice of project management through developing a greater understanding of the effects that organisational culture and policy have on project success or failure.*

My research is based on the hypothesis that project managers (and their core team members) will be better able to manage key project stakeholders with specific methodologies and tools. I have developed one tool – the Stakeholder Circle, supported by the data collection and analysis processes for identification of these key stakeholders, as well as project communication strategies. Underlying this hypothesis is the idea that project stakeholders can impact significantly on a project's success or failure and that the Project Manager and the project team must understand the stakeholders' expectations of the project and ensure that these expectations are met. My research activities are intended to investigate this hypothesis and provide a basis for advancing project management practice.

Through additional interviews to understand how other organisations are approaching the issues of managing stakeholders, whether in aspects of managing within diverse organisations or aspects of group formation, I expect to collect rich sets of data to assist in my development of hypotheses of the effects that organisational culture and policies have on project success or failure.

Due to the practical nature of my research topic, I am dependent on the participation of willing business and project stakeholders. Therefore the opportunity to work with your organisation and the team members of the XXX project will be of great assistance. Currently, I anticipate this assistance to take the form of an agreed

series of planning and review meetings involving the Project Manager and core team members of the selected project as well as an agreed set of interviews with the Project Manager and yourself as Sponsor.

I will respect the privacy of your organisation, both during and after the course of my research activities. I will ensure that all data and comments provided to me remain coded and secure to protect your right to confidentiality; including any mention of my research findings in conference papers and/or journal articles. I am a self-funded doctoral research student and receive no funding for this work.

I fully respect that your participation is voluntary. In addition, should you wish to clarify any issues regarding my research, please contact either my research supervisor, Professor Derek Walker, Research Development Unit, Business Faculty, RMIT University (phone : 03-9925 1414) or the Business Faculty Human Research Ethics Committee, phone: (03) 9925 5594, fax: (03) 9925 5595, email: rd@rmit.edu.au.

I anticipate that your support of this research project will result in improved project management practice, as well as adding value to your organisation.

Yours sincerely,

Lynda Bourne
Doctor of Project Management candidate
RMIT University

Appendix P – Sample Consent Form

HREC Form No 2b
 RMIT HUMAN RESEARCH ETHICS COMMITTEE
 Prescribed Consent Form For Persons Participating In Research Projects Involving Interviews, Questionnaires or Disclosure of Personal Information

FACULTY OF	BUSINESS
DEPARTMENT OF	RESEARCH DEVELOPMENT UNIT
Name of participant:	
Project Title:	An investigation into the use of a tool - the Stakeholder Circle - to provide support for project manager and project team to manage the project's stakeholders. The tool will act as the basis for collecting data that will advance the practice of project management through developing a greater understanding of the effects that organisational culture and policy have on project success or failure.
Name(s) of investigators: (1)	Ms Lynda Bourne Phone: 03 96861424

1. I have received a statement explaining the interview/questionnaire involved in this project.
2. I consent to participate in the above project, the particulars of which - including details of the interviews or questionnaires - have been explained to me.
3. I authorise the investigator or his or her assistant to interview me or administer a questionnaire.
4. I acknowledge that:

Having read Plain Language Statement, I agree to the general purpose, methods and demands of the study. I have been informed that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied. The project is for the purpose of research and/or teaching. It may not be of direct benefit to me. The confidentiality of the information I provide will be safeguarded. However should information of a confidential nature need to be disclosed for moral, clinical or legal reasons, I will be given an opportunity to negotiate the terms of this disclosure. The security of the research data is assured during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to _____ (specify as appropriate). Any information which will identify me will not be used.

Participant's Consent

Name: _____ Date: _____
 (Participant)

Name: _____ Date: _____
 (Witness to signature)

Where participant is under 18 years of age:

I consent to the participation of _____ in the above project.

Signature: _____ (1) _____ (2) Date: _____
 (Signatures of parents or guardians)

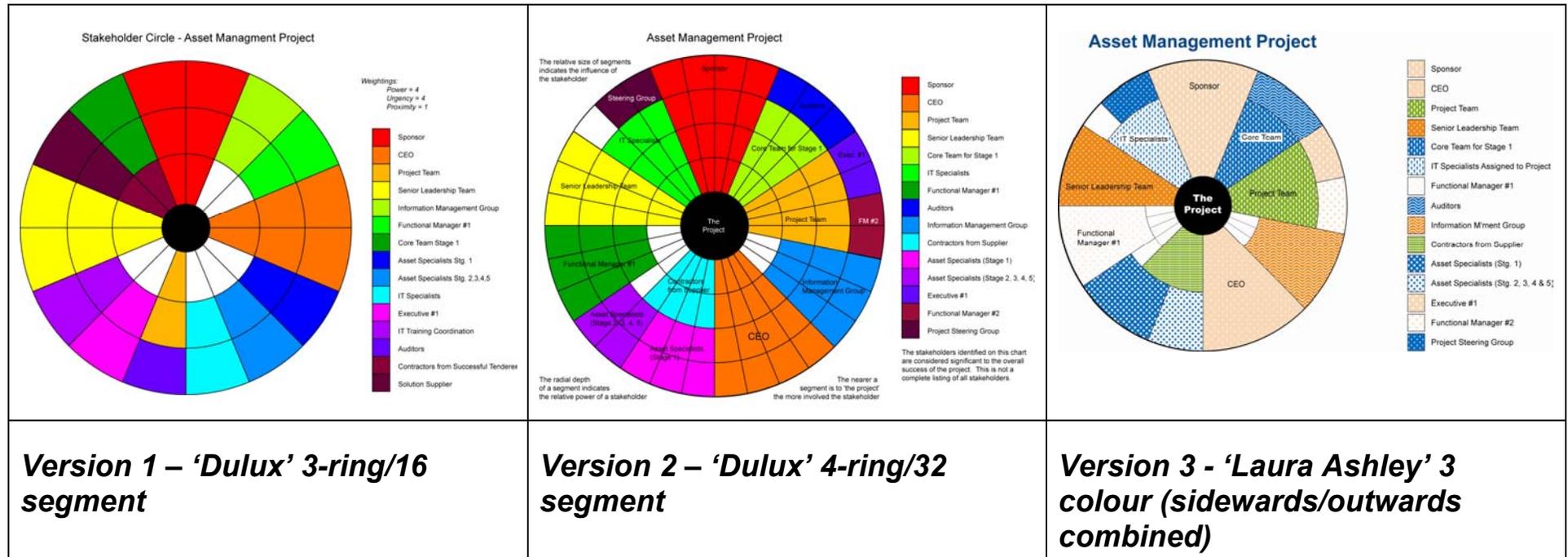
Name: _____ Date: _____
 (Witness to signature)

Participants should be given a photocopy of this consent form after it has been signed.

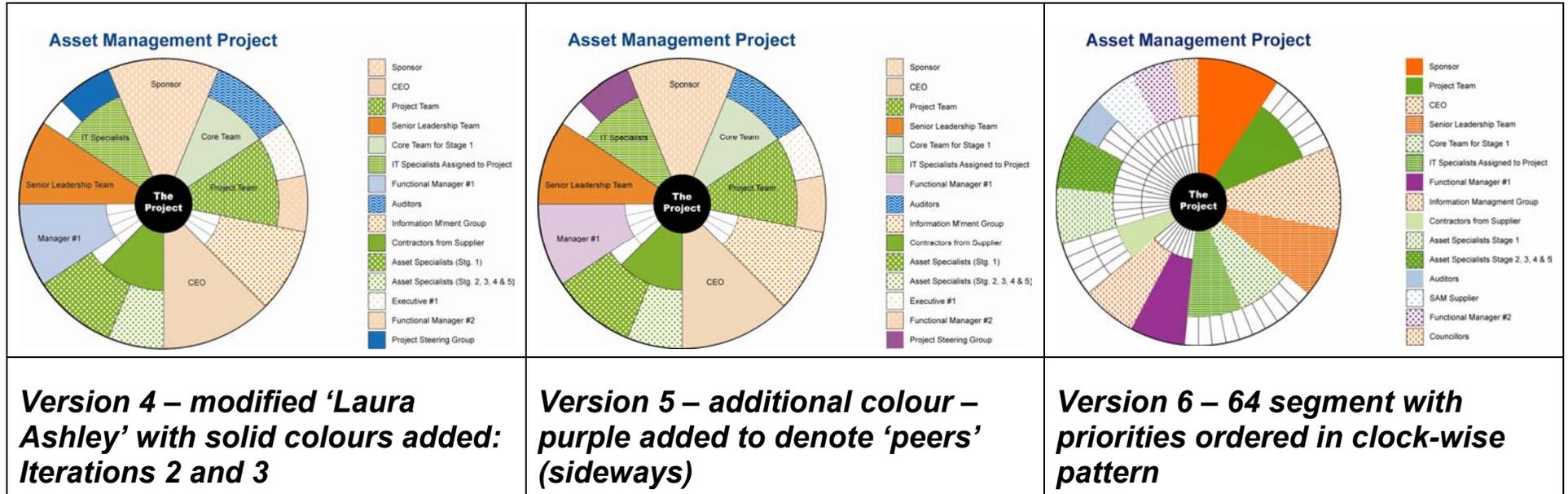
Any complaints about your participation in this project may be directed to the Chair, RMIT Business Human Research Ethics Committee, RMIT Business, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 5594, the fax number is (03) 9925 5595 or email address is rdu@rmit.edu.au

Appendices for Chapter 5

Appendix Q - Changes to the Visualisation tool – versions 1, 2 and 3: Iteration 1



Appendix R – versions 4, 5 and 6



Appendix S - Initial Workshop Plan

The plan for the first workshop was as follows:

Time planned	90 minutes
Process	Brainstorm with project team members
Outcomes	Full list of Stakeholders rated for relative importance <i>Stakeholder Circle</i> TM showing top 15 stakeholders for that project delivered to the team the next day

The plan for the second workshop was:

Time Planned	60 – 90 minutes
Process	With project team members, work through entire list of stakeholders and define communication and engagement strategies based on ‘who’, ‘what’, ‘how’ and ‘who’ and ‘mutuality’
Outcomes	Strategy and Action Plan for engagement of that set of stakeholders for that phase of the project Plan for active and regular monitoring of the Engagement Plan including readiness to redefine Stakeholder Community If/when conditions change in project or organisation.

Appendix T – Report for Iteration 1: Council 1.

<p>Time taken Process</p> <p>Outcomes</p>	<p>Total 4 hours <u>First session August 17, 2004</u> –Brainstorm took 90 minutes. The project team had never undertaken an exercise like this before. They understood the need for it, were very supportive, but had always worked on operational tasks, so there was not even a generic or prototype list to work from <u>Second session August 26, 2004</u> – time taken = 90 minutes. The team had difficulty with the concepts of rating <i>power</i> and <i>urgency</i>, so there was a great deal of discussion about the application of the terminology. <u>Third session September 1, 2004</u> – time taken = 60 minutes. The resulting <i>Stakeholder Circle</i>TM was viewed with interest by the project team members and the sponsor. There were a number of iterations of presentation style – see Appendix 4.6</p>
---	---

Workshop 2 also took longer than expected:

<p>Time taken Process</p>	<p>Total 2.5 hours <u>First session September 17, 2004</u>– systematically identifying the ‘who’, ‘why’, ‘how’ was time consuming, once again because the team were unfamiliar with such planning activities. <u>Second session October 7, 2004</u>– review and completion of the first session exercise as well as working on the ‘what’ – what the messages should be.</p>
-------------------------------	---

Appendix U – Report for Iteration 2: Department 1, Council 2 and Builder

Department 1

Time taken	Total 2.5 hours <u>Session 1 September 2, 2004</u> - 90 minutes <u>Session 2 September 7, 2004</u> - 60 minutes
Process	The workshops ran more smoothly. The communications plan obtained from the Business Owner provided initial data on stakeholders that the project considered important to their success. There was a great deal of discussion about the definitions of <i>power, proximity and urgency</i> . The first session achieved the listing of stakeholders and rating of their relative importance, the second session completed the process by incorporating the ‘mutuality’ data. The ‘business owner’ was pleased with the outcome. She was also pleased that she and her team had learned something from this exercise – the concept of ‘mutuality’ and a more structured way to identify and prioritise a project’s stakeholders.
Outcomes	

Evaluations

“Power/urgency proximity in same order on guide and spreadsheet” refine presentation of ensure consistent presentation. (Two comments on this factor)

“Discussion of detail, perspectives of project wrt stakeholders (worked well).”

“Enjoyed insight into the process”

“The stakeholder analysis and rating

The results of Workshop 2 of Department 1 are below

Time taken	Total 1 hour - September 9, 2004
Process	Validation of data in original communications plan against data recorded in Engagement Strategy.
Outcomes	The exercise of defining the Engagement Strategy was relatively simple, because of the work done previously on the project communications plan

Evaluations

Worked Well

“Developing communications for individual stakeholder profiles”

“Made us focussed”

“Identifying the needs of specific groups to the project and how best to communicate this “

Systematic method and approach

Needs improving

Definitions of factors (especially ‘urgency’

“Continue to simplify if possible”

Overall ratings from Department 1 participants were also positive with questions on whether the methodology would be used again answered as (4) or (5) where (1) was ‘not confident’ and (5) was ‘very confident’.

Appendix V – Reports for Iteration 2:

Council 2

<p>Time taken Process</p>	<p>90 minutes – September 15, 2004 I had obtained the communications plan from the Stakeholder Manager and gained knowledge of the Stakeholders from attending the regular communications planning meetings. I was therefore able to populate the spreadsheet with the stakeholders that the project considered important to their success. The brief on the theory and methodology conducted before the workshop activity helped the participants to understand the underpinning concepts. There was also a great deal of discussion about the definitions of <i>power</i>, <i>proximity</i> and <i>urgency</i>, as well as the definition of <i>stakeholder</i>. The general definitions for stakeholder in this organisation applied only to those outside the organisation and not those within.</p>
<p>Outcomes</p>	<p>The objective of being able to see who had been defined as important to the project gave the project team the opportunity to review and refine according to their experience and knowledge. I was able to combine workshops for Council 2, because the list of stakeholders (external to the organisation) was so comprehensive and because the participants made it very clear that their time was limited.</p>

Evaluations

<p><u>Worked well</u></p> <p>“Identifying significance to the project is important” “Rating power, proximity and urgency an interesting exercise in terms of quantifying. Interested to see how the ‘index’ works”. “Having it partially complete as an early step” - Researcher filled out the spreadsheet with data from the comms plan sent form Council 2 “Legend good” “Prioritising where communications attention is needed” “Scoring interest and support as two items”</p> <p><u>Needs Improving</u></p> <p>Maybe some examples of “significance to project” and requires form project” as a guide” “Subjective assessments and variations within groups eg BSM traders”– this refers to large groups of traders with diverse interests that have been treated as one stakeholder group. “Breaking down stakeholder groups into a finer detail to reflect changes in power and perspective over the life phases of the project”.</p>
--

Overall ratings from Council 2 were also positive with questions on whether the methodology would be used again answered as (4) or (5) where (1) was ‘not confident’ and (5) was ‘very confident’.

Appendix W – Reports for Iteration 2:

Builder

Workshop 1 for Builder is described below:

Time taken	90 minutes - October 5, 2004
Process	With pre-prepared spreadsheets containing all the data I could accumulate from documentation received, the workshop went smoothly. The MD of the company showed that he had a good grasp of both the project and the client organisation.
Outcomes	Full list of Stakeholders rated for relative importance <i>Stakeholder Circle</i> TM showing top 15 stakeholders for that project delivered to the team the next day.
	There was no Workshop 2 conducted for Builder

Evaluation

Worked Well

“The ability of using this method to systematically identify stakeholders” “Comparative ratings”
“Focus of time on the issue” (Researcher pre-prepared and kept strict time through the workshop)

Needs Improvement

“The appropriateness of the rating descriptions” – in reference to ‘urgency’ – still needs refinement.

Builder declined to participate in Workshop 2 stating: “Our checklists and processes are adequate for managing our stakeholders”.

Appendix X– Report for Iteration 3: Department 2 and Council 1 accommodation

Department 2:

Workshop 1 for Department 2

Time taken	90 minutes - October 5, 2004
Process	With pre-prepared spreadsheets containing all the data I could accumulate from documentation received, and a small but well-focussed group of project team members, the workshop went smoothly. There was little confusion about definitions or the process.
Outcomes	Full list of Stakeholders rated for relative importance <i>Stakeholder Circle</i> TM showing top 15 stakeholders for that project delivered to the team the next day

Evaluation

<p><u>Worked Well</u></p> <p>“Process easy to follow, easily understood” “Preparation – predefined Stakeholder ID saved time” “Facilitator’s knowledge of project/program” “Involved the right people” “Pre-preparation saved time” “A well informed group” “Preparation completed earlier” “Rating individuals V groups”</p>
--

Workshop 2 for Department 2 is summarised below:

Time Taken	60 minutes
Process	With project team members, work through entire list of stakeholders and define communication and engagement strategies based on ‘who’, ‘what’, ‘how’ and ‘who’ and ‘mutuality’. There was not very much information on the Stakeholder Plan to the other documentation. So time needed to be taken to discuss the data necessary.
Outcomes	Strategy and Action Plan for engagement of that set of stakeholders for that phase of the project Plan for active and regular monitoring of the Engagement Plan including readiness to redefine Stakeholder Community if conditions change in project or organisation.

Evaluation

Worked well

“Preparation”

“Description of SC” (Researcher had shown the group the results of workshop 1 and explained what she had inferred from this)

“Discussion forum of process”

“Structured approach”

“Right attendees”

“Identifying what measure we actually had in place”

Overall ratings from Department 2 were also positive with questions on whether the methodology would be used again answered as (4) or (5) where (1) was ‘not confident’ and (5) was ‘very confident’.

Appendix Y – Reports for Iteration 3:

Council 1 accommodation:

Workshop 1 for Council 1 accommodation

<p>Time taken Process</p>	<p>90 minutes – November 23, 2004 The pre-prepared spreadsheets developed from the project org chart form builder contained data, and a small but well-focussed group of project team members, including the Change Manager who had participated in the earlier Asset Management System workshops ensured that the workshop went smoothly. There was little confusion about definitions or the process.</p>
<p>Outcomes</p>	<p>Full list of Stakeholders rated for relative importance <i>Stakeholder Circle</i>TM showing top 15 stakeholders for that project delivered to the team the next day</p>

There was no Workshop 2 conducted for this project. The communications manager of the project had already participated in Workshop 2 for Council 1’s first project and felt confident in utilising the spreadsheets to develop the engagement strategy and communications plan from that.

Evaluation

There was no evaluation done for this workshop; all participants had to leave for another meeting. They took the sheets but did not return them, despite my repeated requests.

Appendix Z- Workshop Evaluations summarised

At the conclusion of each workshop, I asked the participants to fill out an evaluation of the methodology. In most cases, the participants agreed to do this. The results of each set of evaluations are tabled below.

Evaluation of Stakeholder ID workshop

Total number workshop participants		18			
Total Number responses		15			
Ques #	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5
1				2	13
2				3	12
3			1	8	6
4				10	5
5			2	8	5

6. What worked well? Comments included:
 “Process easy to follow, easily understood”
 “Ability to use this method to systematically identify stakeholders”
 “Identification of scope, breadth and depth of project and relationship to organisation”

7. What needs improving? Comments included:
 “Clearer definition of terms/criteria” – (This was addressed in next iteration)

Evaluation Questions:

- Rate the importance of stakeholder management to this role (please circle the appropriate rating):
 1 – not important 2 3 4 5 – very important
- Rate the importance of stakeholder identification, prioritisation and management to the achievement of your organisation’s business drivers:
 1 – not important 2 3 4 5 – very important
- Rate the importance of members of your organisation maintaining a common view of stakeholders:
 1 – unimportant 2 3 4 5 – very important
- If stakeholders are drawn from all aspects of the project and organisation (within and outside), rate your confidence in being able to identify, prioritise and engage these stakeholders using this methodology:
 1 – no confidence 2 3 4 5 – very confident
- Rate the likelihood of you or your group using today’s workshop method again:
 1 – not at all likely 2 3 4 5 – very likely
- What worked well?
- What needs improving? How could it be improved?

Evaluation of Stakeholder Engagement workshop

Total number workshop participants	13
Total Number responses	12

Ques #	Rating 1	Rating 2	Rating 3	Rating 4	Rating 5
1				2	10
2				2	10
3				9	3
4				11	1
5			2	7	3

6. What worked well? Comments included:
 “Identifying the needs of specific groups to the project and how to communicate this”
 “Systematic method of approach”
 “Open discussions, brutal honesty”

7. What needs improving? Comments included:
 Finer detail needed for some large groups of stakeholders.
 Teams using this methodology may need support

Evaluation Questions:

1. Rate the importance of stakeholder engagement to this role (please circle the appropriate rating):
 1 – not important 2 3 4 5 – very important

2. Rate the importance of stakeholder engagement to the achievement of your organisation’s business drivers:
 1 – not important 2 3 4 5 – very important

3. Rate the importance of members of your organisation maintaining a common view of stakeholders:
 1 – unimportant 2 3 4 5 – very important

4. If stakeholders are drawn from all aspects of the project and organisation (within and outside), rate your confidence in being able to manage relationships with stakeholders using this methodology:
 1 – no confidence 2 3 4 5 – very confident

5. Rate the likelihood of you or your group using today’s workshop method again:
 1 – not at all likely 2 3 4 5 – very likely

6. What worked well?

7. What needs improving? How could it be improved?

Appendix AA – Key Factors Definitions as modified in Iteration 2



Stakeholder Characteristics - (Project) - Key Factors

Power

- 4 High capacity to formally instruct change (ie, can have the project stopped)
- 3 Some capacity to formally instruct change (eg, must be consulted or has to approve...)
- 2 Significant informal capacity to cause change (eg, a supplier with input to design)
- 1 Relatively low levels of power (ie, cannot generally cause much change)

Proximity

- 4 Directly working in the project (eg, team members working on the project most of the time)
- 3 Routinely working in the project (eg, part time members of the project team, external suppliers and active sponsors)
- 2 Detached from the project but has regular contact with, or input to, the project processes (eg, clients and most senior managers)
- 1 Relatively remote from the project (ie, does not have direct involvement with the project processes)

Urgency / Importance (Team action required)

- 5 Immediate action is warranted, irrespective of other work commitments
- 4 Urgent action is warranted provided it can be accommodated within current commitments
- 3 Planned action is warranted within a relatively short timeframe
- 2 Planned action is warranted within the medium term
- 1 There is little need for action outside of routine communications

Relative Weighting (Value 1 to 9)

4	Power	0.01	4.01
2	Proximity	0.003	2.003
4	Urgency	0.0007	4.0007

© Mosaic Project Services Pty L
 2004
 Support Tel: (03) 9696 8684

Directions of Influence

Defined in 'Tapping the Power Lines' and 'Project Fact or Fiction' papers - available for downloading from www.mosaicproject.com.au (resources)

- U Upwards Influencing senior and functional managers to maintain organisational commitment
- D Downwards Managing the project team including contractors and workers
- S Sideways Managing relationships with peers for collaboration rather than competition
- O Outwards Managing suppliers, vendors, users and external stakeholders
- I Inwards Managing oneself (limited relevance to SHC)
- F Forwards Project tools and techniques - procurement and planning (not included in SHC assessments)
- B Backwards Project tools and techniques - controls and 'lessons learned' (not included in SHC assessments)

Interest

- 5 Committed
- 4 Interested
- 3 Ambivalent
- 2 Not interested
- 1 Antagonistic

Support

- 5 Active support
- 4 Passive support
- 3 Non-committal
- 2 Passive opposition
- 1 Active opposition

Communication Method

I Informal
F Formal
O Oral
W Written

Disclaimer

The formulae and calculations contained within this workbook are the subject of on-going research. No warranties of any kind are offered by Mosaic in respect of their accuracy or validity in any particular circumstance. For additional information please contact:-

Mosaic Project Services Pty Ltd
13 Martin St., South Melbourne VIC 3205

www.mosaicprojects.com.au
lyndab@mosiacprojects.com.au

Appendices

Appendices for Chapter 9

Appendix BB - Summary of research Findings

	Council 1 (IT)	Council 1 (accom)	Builder	Council 2	Department 1	Department 2
Org Structure	Traditional local government hierarchy – with Change management program	Traditional local government hierarchy – with Change management program	Commercial building and PM management – very flat structure	Traditional local government hierarchy – many project functions inhouse	Traditional regional government hierarchy – all project functions outsourced	Very traditional regional government hierarchy – many project functions inhouse
Project type	IT – package solution customised and implemented	Business change – staff accommodation from Town Hall redevelopment	Construction Town Hall redevelopment for Council 1	Construction Central mall redevelopment	IT - package solution customised and implemented	IT – infrastructure and project integration. Build + package solution
PM trained or accredited?	No – PM is line manager	Unsure. PM is engineer	No	No.	No - PM has attended PRINCE2 training	No – PM is PRINCE2 accredited
Org support for SM?	No formal process	Yes	Management of external suppliers (architects, engineers, contractors)	Stakeholder Manager appointed	Business Owner garners organisation support as needed	No formal process – substantial reporting to senior management
Sponsor support for project?	Adhoc but effective support	Adhoc but effective support	Yes	Yes	Yes	Yes – sponsor has many other responsibilities
Stakeholder Management strategy?	No formal process – to employ SC	Change Manager requested SC Workshop	Process has been developed for managing construction projects	List of external suppliers developed for project.	Yes – employed Some features of SC	Yes – mainly consists of management meetings

	Council 1 (IT)	Council 1 (accm)	Builder	Council 2	Department 1	Department 2
Engagement Management strategy?	No formal process – to employ SC	To employ SC process?	Communication and meetings occur on regular basis in line with process	Frequency of contacts and meetings developed for external stakeholders; meetings with senior management		
Regular monitoring of stakeholders through reporting of stakeholder transactions?	No formal process	To employ SC process?	No formal process	No formal process	Reporting to Business Owner	Reporting through program manager
Part of Risk Review?	No	No	No	No	No	No
Politics PM: capable?	Yes	Yes	No: not fully aware of what and how	Yes	Yes	Yes
Politics PM: willing?	Yes	Yes	No	Yes	Yes	Yes
Politics sponsor: capable?	Yes	Yes	Yes	Yes	Yes	Yes
Politics sponsor: willing?	Yes	Yes	Yes	Yes	Yes	Yes

Appendices for Chapter 10

Appendix CC - Extract from the RMIT professional doctorate guidelines

Research and Graduate Studies Committee Version 1.6 Policy And Procedures for the Degree of Professional Doctorate February 2002 The link to the full document is:

<http://www.rmit.edu.au/browse?STYPE=ENTIRE&QRY=doctoral+thesis+policy&CLO-CATION=&submit1=Search>

Chapter 4

4.0 REQUIREMENTS FOR DEGREE

- 4.1 The Professional Doctorate is a high level postgraduate qualification. Candidates will undertake studies and professional development in depth in a significant part of a field of professional activity
- 4.2 The Professional Doctorate shall consist of two components: coursework and research. Both components must be successfully completed.
- 4.3 The coursework component will be as described in the relevant program accreditation documentation which has been approved through the appropriate channels.
- 4.4 Research Component

The candidate must present a thesis/project based on original research and which has not been previously submitted for an award at RMIT or elsewhere at a standard which demonstrates competence in:

- 4.4.1 Reviewing literary and other sources relevant to the thesis or project, and designing an investigation;
- 4.4.2 Gathering and analysing information, evaluating evidence and synthesizing, drawing conclusions;
- 4.4.3 Presenting information in a manner consistent with publication in the relevant discipline;
- 4.4.4 Critical appraisal of his/her own work relative to that of others;
- 4.4.5 A significant and original contribution to knowledge and/or professional practice in the discipline area;
- 4.4.6 Independent and critical thought; and
- 4.4.7 The capacity to work independently of supervision.

