

# School of Engineering

Project Management & Engineering Practice  
(GENG 5505)

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# Project Management & Engineering Practice (GENG5505)

Stakeholder management: Strategies for continuous engagement  
(Ch 3)

(Week 2b) - Lecture four, 07 March 2024

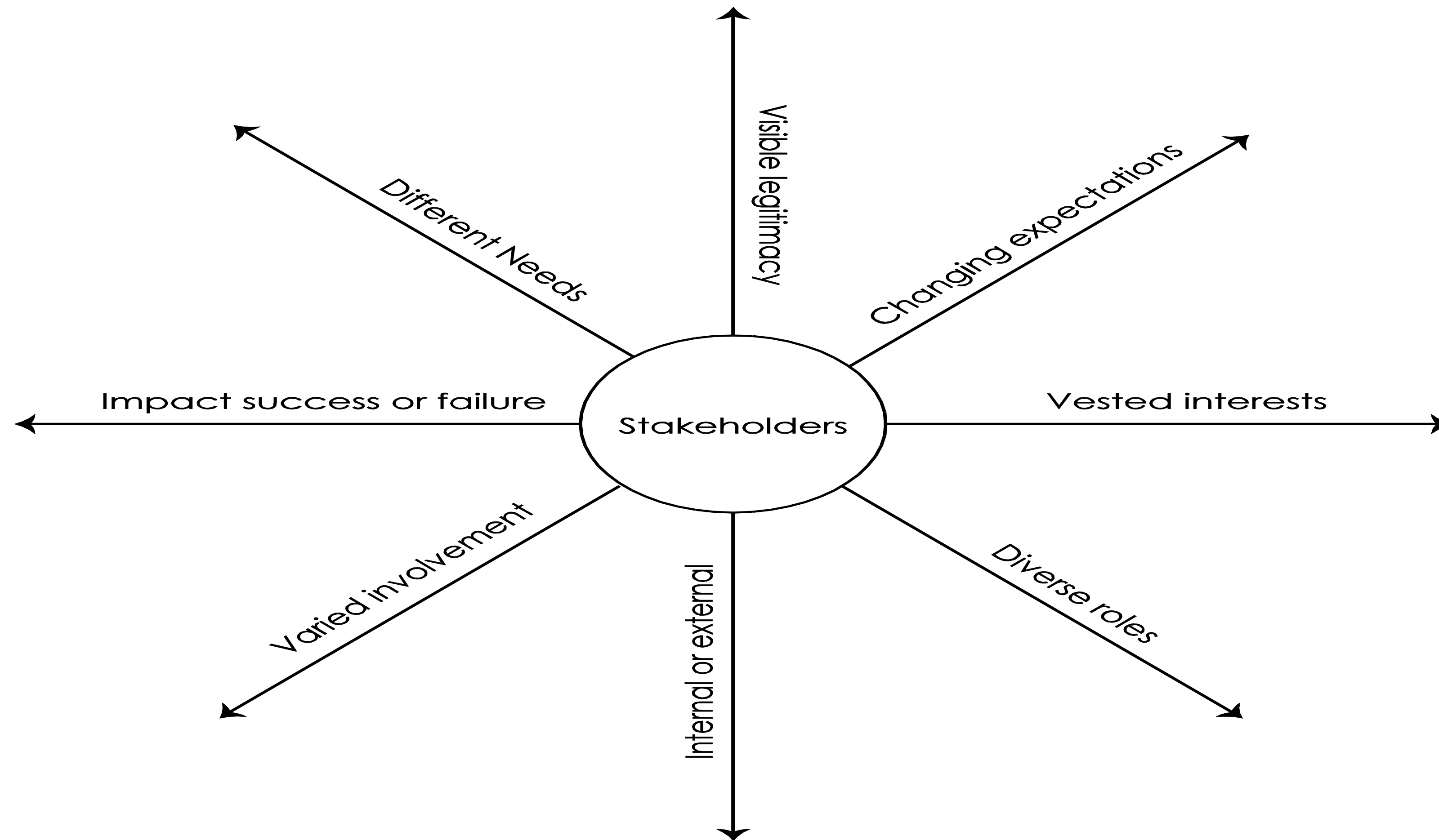
# Defining (project) governance (from chapter 2)

- To define the roles and responsibilities of all project stakeholders and to determine the decision making structure for the project;
- To plan and manage the project throughout its lifecycle by ensuring accountability, transparency, participation, predictability, traceability, validation and integrated change controls;
- Internal audit capability and accountability to provide regular, timely, unambiguous and result driven reports on performance, deliverables and outcomes.

# Delivering on (governance) expectations and benefits

- Clear assignment of roles & responsibilities
- Develops organization's project delivery capability
- Accountability & transparency in decision making
- Standardizes processes & procedures
- Identification, communication & management of all stakeholders
- Process to review & evaluate documents & deliverables
- Maximize the return on project investment
- Strategic project portfolio
- Ensuring consistency with TBL and project life cycle
- ...

# The challenge of stakeholder management



# Project stakeholders

- Stakeholders come in two types:
  - Those that contribute (influence, advocate...) to the project output;
  - Those that benefit (impact, power, ego...) from the project output ;
- Stakeholders can either support or hinder your project (not everyone will champion your cause);
- Stakeholders cannot be ignored (they will impact your ultimate success);
- Stakeholders must be identified prior to commencing & throughout the project;
- Stakeholders need to be managed (what are their information needs throughout the project?)
- And ultimately, it is crucial to engage with stakeholders!

# The stakeholder mix

- Members of the board (sponsor)
- Executive management
- Senior and/or functional managers
- Staff
- Third party providers
- External consultants
- Federal, state and/or local government departments
- Financial institutions
- Contracting businesses
- Regulatory agencies
- Industry associations
- Insurance companies
- Manufacturers & commercial suppliers
- Trade unions
- Customers/clients
- Media outlets
- Lobby, community and or and special interest groups
- Competitors
- ....



# Project clients

- The person or entity with authority nominated to represent the organisation initiating and/or receiving the benefit from the project. In some projects, corporate clients & project sponsors may be the same person;
- Ensures the project is aligned with the strategic needs & goals of the organisation;
- Ensures project outcomes meet the needs of the customer's organisation;
- Ensures project business benefits are realised;
- Approves changes to project scope & deliverables;
- Provides resource to represent customer's interests;
- Monitors performance, compliance & outcomes;
- Provides funding to cover all progressive payments.
- ....



# Project sponsor

- The project sponsor has ultimate accountability & responsibility for the project on behalf of the organisation undertaking the project;
- Determines the overall business objective for the project;
- Responsibility for obtaining ongoing funding;
- Monitors costs, benefits, risks, progress & benefits regularly;
- Maintains the organisational capacity to resource the project;
- Approves changes to scope and/or deliverables;
- Obtains organisational commitment to undertake the project;
- Recommends project completion and/or evaluation;
- Provide high level support & visibility for the project;
- Provides leadership;
- Oversees multiple reports;
- Negotiates;
- Undertakes financial analysis (e.g. ROI, NPV, etc.);
- ...

# Steering group

- The senior management team responsible for the adoption, deployment & uniform application of the project management framework;
- Ensures strategic alignment, robust justification & all portfolio management;
- Approves appointment, authority (& visibility) of the project manager & acts as coach, mentor & support for the project manager;
- Provides guidance, support & monitoring of process and documentation;
- Authorise the commencement & sign off at the end of each phase;
- Advocate for the project's deliverables, outcomes & benefits;
- Balancing competing priorities, resources, guidance & direction to the project;
- Review all benefits delivered by project;
- Identify all emergent whole-of-business issues impacting the project;
- ....

# Project team members

- The project team members are the subject matter experts and/or personnel required to perform all the required project work;
- Provide the resident expertise in the execution of the deliverables;
- Perform all assigned activities to agreed standards;
- Communicate all emergent issues & risk;
- Identify & resolve related technical problems;
- Attend & participate in performance/progress meetings;
- ....



# Project manager

- The endorsed (or similar) person appointed to manage the project;
- Developing the project plan;
- Estimating, assigning and managing project resources;
- Managing project schedule and project budget;
- Managing stakeholder expectations;
- Managing procurement & contracts;
- Managing quality requirements;
- Directs & motivate project team morale & performance;
- Managing all change requests & resultant impacts & approvals;
- Initiate corrective action and/or reinforcement where required;
- Tracking, documenting & communicating project performance & deliverables;
- Identifying, assessing & managing project risks;
- Managing & reporting relevant issues;
- Facilitate regular performance meetings;
- Coach, mentor & support project team;
- ....

# Profiling the project manager

- Conceptual skills;
- Interpersonal skills;
- Technical skills;
- Managerial ability;
- Strategic expertise;
- Business acumen;
- Practical and relevant expertise;
- Experience team player;
- Entrepreneurial energy;
- Project management discipline;
- Project management software skills;
- How to delegate;
- ....

# Stakeholder power and interest matrix

Power / Influence	High	Keep Satisfied	Manage Closely
	Low	Minimum Effort	Keep Informed
		Low	High
		Interest	



# Plan stakeholder management

- Given their interest in the project, a **clear, actionable plan is required** to now reach and interact with these stakeholders in support of the project's interests;
- Individual expectations and project objectives will need to be managed throughout the project life-cycle;
- Proactive in capturing relevant information from each stakeholder based on who they are and their different responsibilities;
- Documented in a suitable format that can be readily disseminated, tracked and updated, as the project progresses, to all who need it.

# RACI framework

- Responsible (nominate the stakeholder charged with doing the required activities);
- Approve (nominate the stakeholder who needs to approve all decisions);
- Consult (nominate the stakeholder who needs to be consulted prior, during or after an action);
- Inform (nominate the stakeholder who needs to be kept informed of progressive actions);

# PARIS framework

- Participate (nominate the stakeholder charged with doing the required activities);
- Approve (nominate the stakeholder who needs to approve all decisions);
- Responsible (nominate the stakeholder charged with doing the required activities);
- Inform (nominate the stakeholder who needs to be kept informed of progressive actions);
- Signoff (nominate the stakeholder who provides official signoff).



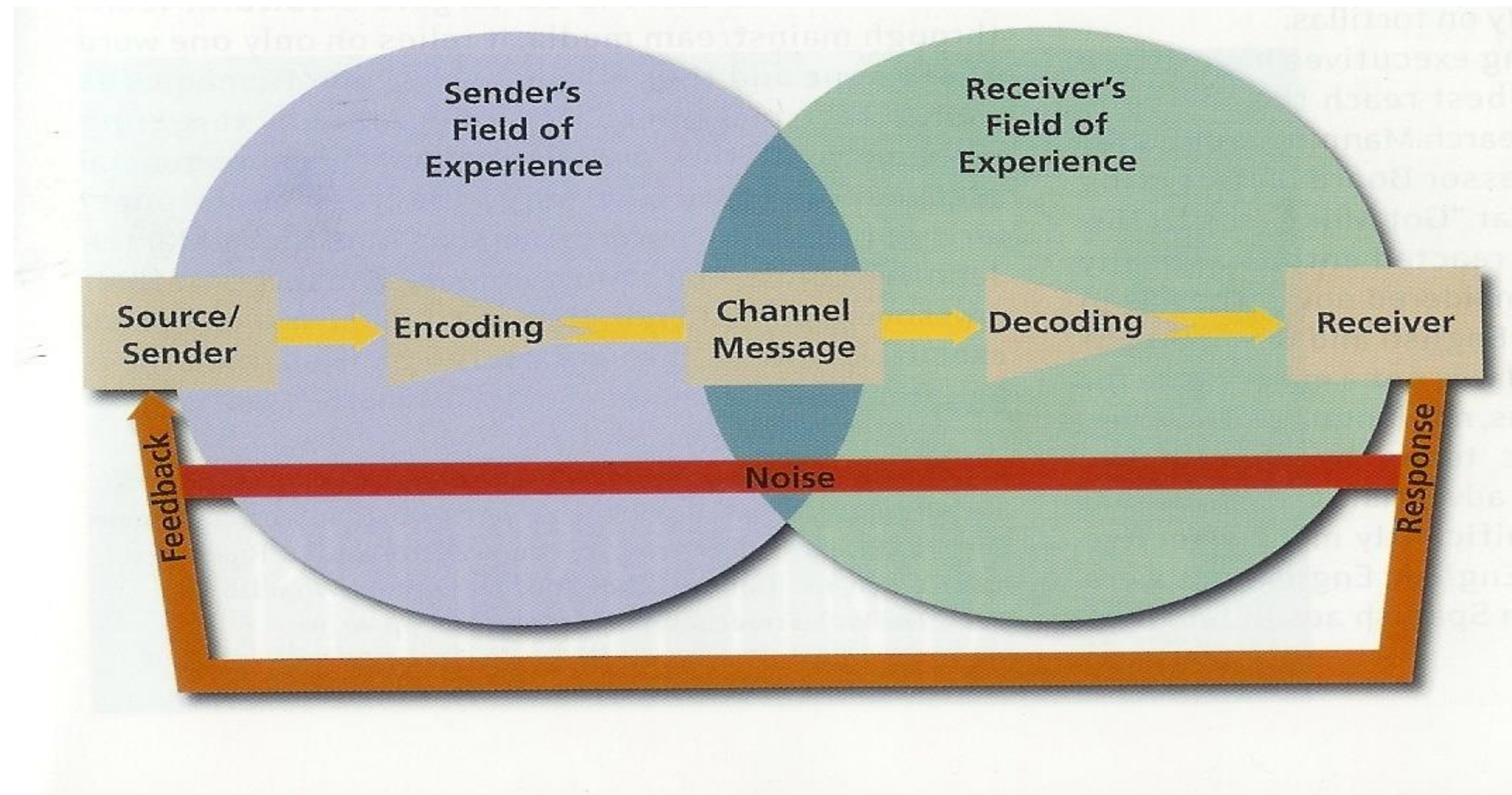
## Managing the stakeholders: Example of implementing a stakeholder management matrix

Name	Responsibilities	Information required	Medium	Frequency
Sponsor	<ul style="list-style-type: none"> <li>- Determine the overall business objective</li> <li>- Project priority</li> </ul>	<ul style="list-style-type: none"> <li>- Schedule delivery</li> <li>- Budgets</li> <li>- Priority status</li> </ul>	<ul style="list-style-type: none"> <li>- Report</li> <li>- Meetings</li> </ul>	Monthly
P/Manager	<ul style="list-style-type: none"> <li>- Manages schedule</li> <li>- Manages performance</li> </ul>	<ul style="list-style-type: none"> <li>- Team issues</li> <li>- Risk issues</li> </ul>	Meetings	Daily
Client	Accepts project	<ul style="list-style-type: none"> <li>- Performance</li> <li>- Progress</li> </ul>	Report	Monthly
Contractors	Carry out work	Schedule	Meeting	Daily
SME (Subject matter expert)	Technical expert (design, installation, etc.)	Technical performance issues	Walkthroughs	Daily
Team	Task completion	Progress	Meeting	Daily Weekly



# Communicating effectively with project stakeholders: The Communication Process Model

Source: Belch & Belch, 2004





# Response strategies to stakeholder pressures in global projects

(Aaltoneen et al., 2009)

- **Adaptation strategy:** Obeying the demands and rules that are presented by stakeholders – that is, adjust to stakeholder pressures to be able to achieve the planned objectives;
- **Compromising strategy:** Negotiating with stakeholders ; opening the dialog and listen to their requests & offer compensations when appropriate (\*\*but remember to question ethical issues!!);
- **Avoidance strategy:** Loosing attachment to stakeholders & their claims. Transferring the responsibility of dealing with the claims to others in the project network (\*\*but, is this ethical?);
- **Dismissal strategy:** Ignoring stakeholders demands. That is, not considering stakeholders requirements in implementing the project stages;
- **Influence strategy:** Dealing proactively with the demands from stakeholders. Creating & communicating value to stakeholders while building relationship with them.



# Differentiating managers & leaders

- Managers:
  - Achieve results with & through others (plan, lead, organize & control)
  
- Leaders
  - Get people to do things willingly that they otherwise would not do

Where do you see yourself in 5-10 years time?

# Separating management & leadership

## What managers do:

- Administrates
- Maintain
- Control
- Systems
- Bottom line
- Status quo
- Short term
- Formal authority
- Things right
- Solve problems
- Make decisions
- Adhere to direction
- Us and them
- Coercion
- Superior
- Direct
- ....

## What leaders do:

- Innovate & create ideas
- Develops
- Trust
- People
- Horizon
- Challenges
- Long term
- Interpersonal skills
- The right thing
- Involve
- Encourage decision making
- Support
- Us together
- Cooperation
- Mentor
- Lead
- ....

## Readings week 2

- Christenson D. and Walker D., 2004, Understanding the role of “Vision” in project success, *Project Management Journal*, pp 39-52;
- Zhang L., 2012, Managing project changes: Case studies on stage iteration and functional interaction, *International Journal of Project Management*, pp 958 – 970;
- Aaltonen K. and Sivonen R., 2009, Response strategies to stakeholder pressures in global projects, *International Journal of Project Management*, pp 131 – 141;