Scandinavian Journal of Management (2010) 26, 381–397

available at www.sciencedirect.com

ScienceDirect

journal homepage: http://www.elsevier.com/locate/scaman

A project lifecycle perspective on stakeholder influence strategies in global projects

Kirsi Aaltonen [a,*], Jaakko Kujala [b,1]

[a] Aalto University School of Science and Technology, BIT Research Centre, P.O. Box 15500, FI-00076 Aalto, Finland
[b] University of Oulu, Department of Industrial Engineering and Management, P.O. Box 4610, FI-90014 University of Oulu, Finland

KEYWORDS
Secondary stakeholders;
Global projects;
Project stakeholder management;
Stakeholder influence strategies;
Stakeholder salience;
Project lifecycle

Summary Global projects affect and are affected by multiple stakeholders with differing interests and demands. Recently, there has been increased pressure for global projects to be more environmentally and socially responsible. A project creates a dynamic context for stakeholder management and stakeholder behavior because the project moves through different phases during its lifecycle. By adopting a lifecycle perspective on secondary stakeholders' behavior, we develop a set of propositions that increase our understanding of the potential of secondary stakeholders to influence the project management's decision making during the different phases of the project lifecycle. Ultimately, a better understanding of secondary stakeholders' influence behavior during the project lifecycle enables the use of more effective project stakeholder management approaches.

Introduction

The management of project stakeholders by taking into account their needs and requirements are an essential element of project success (Bryde & Robinson, 2005; Cleland, 1986; Diallo & Thuillier, 2005; Olander & Landin, 2005; Olander, 2007). The vast majority of project stakeholder related research has been devoted to understanding how to manage stakeholders effectively. Much of this research has focused on creating practically oriented stakeholder management schemes and classification methods (Bourne & Walker, 2005; Chinyio & Akintoye, 2008; Donaldson & Preston, 1995; El-Gohary, Osman & El-Diraby, 2006; Olander & Landin, 2005).

Far less attention has been devoted to understanding the stakeholder side of project stakeholder management, i.e. how stakeholders actually behave and how they are able to influence the project management's decision making process. In particular, a project lifecycle perspective on the possibility of project stakeholders to influence the project management's decision making is missing from much of the literature. A project creates a dynamic context for stakeholder management because a project moves through different phases during its lifecycle (Morris, 1982: 155). The lifecycle model of projects is widely acknowledged in the field of project research. Generally, an investment project lifecycle advances through three main phases: the investment preparation phase, the project execution phase and the operations phase whose characteristics are dramatically different (Morris, 1982: 156; Turner, 1999). Consequently, project stakeholders' potential to take action and their ability to influence the project management's decision making changes over the project lifecycle, as the project proceeds from the investment preparation phase through the project execution phase to the operations phase.

* Corresponding author. Tel.: +358 50 3576 077.
E-mail addresses: kirsi.aaltonen@tkk.fi (K. Aaltonen), jaakko.kujala@oulu.fi (J. Kujala).
[1] Tel.: + 358 40 4839 1717.

0956-5221/$ – see front matter © 2010 Elsevier Ltd. All rights reserved.
doi:10.1016/j.scaman.2010.09.001

Recently, there has been increased external and internal pressure for projects to improve their environmental and socially responsibility. Today, the concerns of social and environmental activists need to be carefully considered as part of the project decision making in order to ensure project success (IFC, 2007; Mathur, Price & Austin, 2008; Moodley, Smith & Preece, 2008; Smyth, 2008). This is especially true for global projects that involve a diverse set of stakeholders with different socio-cultural backgrounds. Furthermore, global projects are often implemented in demanding institutional settings and are, hence, subject to the impacts of a wider socio-political environment (Morris & Hough, 1987). However, the majority of prior project research has focused on the management of primary stakeholders that are important with regard to the project's economic interests. Primary stakeholders are organizations that are in a contractual relationship with the project such as customers or suppliers or have direct legal authority over the project such as governmental organizations (adapted from Eesley & Lenox, 2006). In turn, a lack of understanding of the various interest groups, the motivations behind their actions and their potential influence during the project lifecycle, especially on the part of management, has been identified as a major challenge in large international projects (IFC, 2007; Miller & Olleros, 2001; Winch & Bonke, 2002). In this paper such interest groups including actors such as community groups, lobbyists, environmentalists and other non-governmental organizations, are referred to as secondary stakeholders. Secondary stakeholders do not have a formal contractual bond with the project or direct legal authority over the project (Eesley & Lenox, 2006), but they can influence the project (Clarkson, 1995). More specifically, our research focus is on secondary stakeholders that oppose the project and whose interests differ from those of the project. Scholars within the field of stakeholder management have argued that especially such situations where the interests of some stakeholders and a firm are in conflict form the most interesting class of firm—stakeholder interactions. This is because without a conflict of interests there would be no need for managing the stakeholders (Frooman & Murrel, 2005).

The aim of the present research is to increase our understanding of how secondary stakeholders that are opposing a project are able to take action and influence the project management's decision making during the different phases of the project lifecycle. A number of factors have an impact on stakeholders' potential to influence the project management's decision making during the project lifecycle. In this research, we are particularly focused on the distinctive characteristics of projects, such as the uniqueness of projects and the irreversibility of decision making.

Our main theoretical background is stakeholder theory, which provides a solid starting point for identifying and classifying project stakeholders in order to understand their behavior (for an extensive review and in-depth analysis of stakeholder theory see, for example, Donaldson & Preston, 1995; Friedman & Miles, 2006; Key, 1999). Projects as temporary organizations (Lundin & Söderholm, 1995) can be examined like any other organization and therefore, the ideas of stakeholder theory can be applied to the project context. In addition, we draw from project management literature in order to understand the unique nature of the project context and different project specific characteristics that influence secondary stakeholders' potential to take action and influence the project management's decision making during the different phases of the project lifecycle. In this paper, the approaches which aim to influence the project management's decision making are referred to as stakeholder influence strategies. Based on a theoretical analysis, we create a set of propositions, which are relevant for the analysis of the dynamicity of stakeholder behavior during the project lifecycle in the context of global projects. Through the examination of an empirical case, the Botnia pulp mill investment project in Uruguay, we illustrate how our propositions can be used to analyze the behavior of an opposing secondary stakeholder group, Argentinian Citizens Environmental Assembly of Gualeguaychú that claimed that the mill should be moved to another location.

Stakeholder management during the project lifecycle

Following Freeman's original definition (1984) project stakeholders can be defined as individuals and organizations that are actively involved in the project or whose interest may be affected as a result of project execution or project completion (Bourne & Walker, 2005; Kolltveit & Gronhaug, 2004; PMI, 2008). Different types of stakeholder classifications and definitions ranging from very broad to rather narrow views have been proposed in both the stakeholder and project management literature. Broad definitions (El-Gohary et al., 2006; Fraser & Zhu, 2008; Kolltveit & Gronhaug, 2004; PMI, 2008; Turner, 1999; Ward & Chapman, 2008) accentuate the fact that project stakeholders can affect or are affected by the project. These definitions can be criticized for the fact that according to them, more or less all groups or individuals can be considered as stakeholders. In turn, definitions that adopt a narrower view highlight the nature of the interest or stake that a particular stakeholder has with regard to the project (Cleland, 1986; Cleland, 1998; Chinyio & Akintoye, 2008; McElroy & Mills, 2003; Olander, 2007). For example, Cleland (1998) defines stakeholders' claims through their objective or perceived legitimacy.

A typical division is to group project stakeholders into internal and external stakeholders. Internal stakeholders are the stakeholders that are formally members of the project coalition and, hence, are usually supporting the project (Winch, 2004). They are often referred to as primary stakeholders (Cleland, 1998) or business actors (Cova & Salle, 2005). Such stakeholders have a formal, official, or contractual relationship with the organization or they are directly involved in an organization's decision making processes (Atkin & Skitmore, 2008). Frooman (1999) views stakeholders in a similar fashion as those who are either resource providers for the firm, or those who are dependent on the firm. External project stakeholders are not formal members of the project coalition, but may affect or be affected by the project. Such groups are often referred to as non-business stakeholders (Cova & Salle, 2005). Stakeholder research uses the term secondary stakeholder (Clarkson, 1995) for groups that are not directly associated with the focal organization by not having a formal contractual bond with the firm or direct legal authority over the firm (Eesley & Lenox, 2006). Secondary stakeholders are not directly engaged with economic

activity, but are still able to influence an organization (Clarkson, 1995; Savage, Nix, Whitehead, & Blair, 1991). Moral and legitimate claims are often emphasized in connection with secondary stakeholders, as "the firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm" (Langtry, 1994) or "persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity" (Donaldson & Preston, 1995). Winch (2004) categorizes stakeholders into those who promote the project and those who oppose it. Stakeholders' potential to cooperate with an organization and the potential threats to an organization have also been discussed by Savage et al. (1991). In turn, Clarkson (1998: 5) views stakeholders as those "who have legitimate claims and who are placed at risk as a result of a firm's activities". He also contends that without the element of risk there is no stake. The stake determines stakeholders' interests and plays an important role in their actions and also influences the way the organization serves their interests. In addition, stakeholder categorizations in project management literature have included the categorization of stakeholders according to their functional role in a project, such as client, contractor, customer, sponsor, local community member, NGO, media, lobbying organization, and government agency, all of which are seen as stakeholders (Cova & Salle, 2005).

Scholars in the field of project management have devoted much of their research effort to examining the management of primary stakeholders that are important with regard to the project's economic interests, such as suppliers, sponsors and customers. This perspective highlights the reality of a project's limited resources: a project cannot always address the concerns of every potential stakeholder, but the most relevant claims need to be addressed. However, a broader project stakeholder view that takes into account secondary stakeholders is highly essential in the context of global projects due to the environmental and societal impacts that large projects typically have. The importance of a project's environmental and social performance as a measure of project success, has recently been adopted in research on large projects (Flyvbjerg, Bruzelius & Rothengatter, 2003). Further, Orr and Scott (2008) propose that effective secondary stakeholder engagement in a project can also increase project performance by decreasing the costs related to institutional exceptions. If secondary stakeholders are excluded by project management they may engage in a set of actions to advance their claims (Aaltonen, Kujala & Oijala, 2008). These actions may result in direct operational costs and have negative consequences with regard to the reputation of the focal organization (Eesley & Lenox, 2006).

Since Cleland (1986) brought the stakeholder concept into the project management field, knowledge of how to manage stakeholders has been slowly increasing. Today, the management of project stakeholders can be considered an established and recognized area in the contemporary standards of project management (APM, 2006; PMI, 2008), and as a research field, even though there is only a small amount of research focusing primarily on project stakeholders and their management (Achterkamp & Vos, 2008; Yang, Shen & Ho, 2009). Despite the acknowledged dynamic nature of project stakeholders' positions and attributes during the project lifecycle, explicit lifecycle-based views of project stakeholder management are missing in project research (Ward & Chapman, 2008). This is surprising, since each phase of the project lifecycle presents different environmental and social risks and opportunities for the project and for the stakeholders as well. Therefore, different stakeholder engagement practices need to be employed during the different phases of the lifecycle. Project research has recognized and emphasized the importance of active stakeholder management efforts in the early phases of the project (Kolltveit & Gronhaug, 2004). Based on a study of large engineering projects, Miller and Lessard (2001: 209) propose that effective project sponsors seek to understand and accommodate the range of stakeholder interests as early as possible. Correspondingly, Flyvbjerg et al.'s (2003: 113) research on large engineering projects emphasizes the importance of including all stakeholders during the project's shaping phase. In addition, practical guidelines on how to engage secondary stakeholders in projects in emerging markets highlight the importance of early project phases (IFC, 2007). However, a perspective on stakeholder management that goes beyond the early phases of the project is missing from much of the literature.

Stakeholder salience in projects

Project management needs to balance the diverse demands and claims of different stakeholders in their decision making process. A widely known stakeholder salience framework that has been proposed by Mitchell, Agle, and Wood (1997) explains the process of managerial decision making. The salience framework classifies stakeholders according to three dimensions: power, legitimacy and urgency. These three attributes determine stakeholder salience as "the degree to which managers give priority to competing stakeholder claims in their decision making process," i.e. how much and which type of attention stakeholders receive from management. As a consequence, salience attributes are associated with the possibility of stakeholders to take part in the project management's decision making processes.

Stakeholder salience does not remain in a steady-state during the project lifecycle. Project characteristics, for example the irreversibility of decision making, have an impact on secondary stakeholders' salience in the different phases of the project and, hence, on the potential for secondary stakeholders to advance their claim by influencing project management's decision making. In addition, secondary stakeholders may engage in a diverse set of activities and use different influence strategies to shape their salience attributes in order to increase the likelihood that their claim will be taken into account in the project management's decision making.

Power

Power in the salience framework is defined as "a relationship among social actors in which one social actor, A, can get another social actor, B, to do something that it would not have otherwise done". Mitchell et al. (1997) propose three different bases of power: coercive, based on force or threat, utilitarian, based on material or incentives and normative, based on symbolic influences. According to Freeman and Reed (1983) stakeholders have formal, economic and poli-

tical power. Hill and Jones (1992) discuss the information asymmetry in a focal firm—stakeholder relationship, which is an important factor to take into account during project planning and contract negotiations (Kujala, Murtoaro, & Artto, 2007). The requirements of governmental and financial organizations often include requirements for evaluating the environmental and societal impacts of the project, which increases the power of secondary stakeholders to influence the project management's decision making process in the early phases of the project lifecycle (IFC, 2007). From a network perspective, it is not only the stakeholders' attributes and direct relationship with the focal company that have to be taken into account, but also the structure of the network and the position of the stakeholder in a network (Rowley, 1997). Similarly, Hellgren and Stjernberg (1995) recognized that a stakeholder's position in a project network influences their power attribute. In turn, Frooman (1999) draws from resource dependence theory when considering the resource dimension of a relationship and the power that stems from it.

Legitimacy

Mitchell et al. (1997) adopt a definition of legitimacy proposed by Suchman (1995) as "a generalized perception or assumption that the action of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions". Organizations that follow prevailing institutionalized practices in their business are more legitimate and therefore increase their survival prospects (Meyer & Rowan, 1977). Thus, managers are more likely to pay attention to a stakeholder whose claims they perceive to be legitimate. A stakeholder is more salient, if the organization is seen as morally responsible for the well being of the stakeholder, and if the firm's actions have the potential to damage the well being of the stakeholder (Langtry, 1994). Several authors have suggested contractual relationships, legal title to a company's assets or property or ownership as bases of legitimacy (Clarkson, 1994: 5; Cornell & Shapiro, 1987; Carroll, 1989: 57; Freeman & Evans, 1990). A contractual relationship with the project increases the legitimacy of a stakeholder with respect to claims that are in accordance terms of the contract. However, secondary stakeholders, by definition do not have a contractual relationship with the project and their requirements are often neglected by the project management that is focused on the effective implementation of the project according to the contractual requirements. In general, project management bodies of knowledge (APM, 2006; PMI, 2008) and accepted project management practices have an influence on which stakeholders and which claims are perceived to be legitimate by project management during the different phases of the project lifecycle. Stakeholders may also select an institutional environment that will provide legitimacy for their actions and goals (Suchman, 1995). In the context of global projects, institutions that evaluate the legitimacy of the project during the different phases of the lifecycle include, for example, local citizens and interest groups, governmental organizations, local and global environmental groups, parent organizations, financial institutions and other business partners such as subcontractors. If secondary stakeholders that have a right to participate in the project's decision making processes because of, for example, local laws or rules employed by financing institutions, are excluded from the decision making processes in the early phases of the project, their legitimacy will increase in the later phases of the project lifecycle.

Urgency

Urgency in the salience framework is defined as "the degree to which stakeholder claims call for immediate attention". According to Mitchell et al. (1997) there are two dimensions to urgency: time sensitivity referring to "the degree to which managerial delay in attending to the claim or relationship is unacceptable to stakeholder" and the degree to which a claim can be considered to be critical to a stakeholder. Olander and Landin (2005) analyze project stakeholders in the context of construction projects and bring up the extent of the negative consequences of project implementation as an important factor that increases the urgency of the claims. However, as the resources allocated to a project are limited, the budget implications of the claim in regards to the overall project must also be taken into account. An important part of the project management process is "to balance the needs and interest of various stakeholders" (PMI, 2008). Claims that are aligned with the project's goals and that are easy to implement are more likely to be implemented or considered urgent. Many decisions, such as design choices that are made during the project lifecycle are often irreversible or difficult to change (Flyvbjerg et al., 2003: 88—89; Miller & Olleros, 2001: 97). Thus the time sensitivity of the claim is of importance: claims that are presented after critical decisions have already been made are more likely to be dismissed. For example, decisions of how to allocate funds for different purposes are made during the project's budget approval process. Claims that have significant cost implications are more likely to be considered urgent as the time to make the final budget decisions approaches.

Stakeholder influence strategies

The existing research concerning stakeholder behavior concentrates mostly on identifying and describing the range of different ways in which stakeholders try to influence organizations or shape their salience (Aaltonen et al., 2008; Frooman, 1999; Hendry, 2005). Scholars have also considered factors that influence the selection of certain influence strategies (Frooman & Murrel, 2005; Hendry, 2005). In addition to describing and examining how stakeholders actually try to exert influence, attention has also been devoted to examining the factors that actually initiate and drive stakeholders to take action, i.e. to mobilize, in order to influence the focal organization (Rowley & Moldoveanu, 2003).

The concept of stakeholder influence strategy is often used interchangeably with such concepts as 'influence tactic' (Hendry, 2005) and 'activities' (Rowley & Moldoveanu, 2003). Frooman (1999) discusses influence strategies as the "means" stakeholders use to try to get what they want, and proposes that the nature of the resource relationship between the stakeholder and the firm determines the type of influence strategy that will be used by each stakeholder. In

his theoretical analysis, Frooman (1999) identifies four types of stakeholder influence strategies that are based on the nature of resource relationships between stakeholders and the focal company. These strategies are: direct withholding, direct usage, indirect withholding and indirect usage. Withholding strategies are defined as those where the stakeholder ceases to provide a resource to a firm with the intention of making the firm change a certain behavior. For example, with a strike, workers can stop providing their work force for a project. Usage strategies in turn are strategies in which the stakeholder continues to supply a resource, but with constraints attached to it. Stakeholders may employ direct strategies, such as manipulating the flow of resources to the firm, or indirect strategies, such as working through an ally who manipulates the flow of resources to the firm.

Hendry (2005) has tested Frooman's (1999) propositions empirically by providing an account of the different stakeholder influence strategies used by four non-governmental organizations. In addition to the four influence strategies defined by Frooman (1999), Hendry (2005) brings up communication strategy as an important method of influencing a firm's behavior. Further, she identifies different kinds of influence strategies used by stakeholder organizations such as, allying with other stakeholders, multi-stakeholder dialogue, letter-writing campaigns, blockades, boycotts, litigation and lobbying legislators. In addition to identifying a range of different influence strategy types that stakeholders can use to advance their claim, Hendry's (2005) empirical analysis focuses on identifying different determinants of influence strategy selection. She reveals that the opportunity to use a particular strategy, stakeholder's experience or expertise of a particular influence strategy, potential alliances in support of a particular strategy and the "bang for the buck" of a particular influence strategy are important determinants that influence the stakeholder's influence strategy selection choices. In the project context, contextual factors play an important part in secondary stakeholders' ability to use different influence strategies. For example, if a secondary stakeholder lacks resource-based power in its relationship with the project, it is more likely to employ indirect strategies and act through an ally that has power to influence the focal project.

We can assume that similar strategies are available for stakeholders in a project context. Drawing from the existing stakeholder theory and project management research, Table 1 categorizes and summarizes stakeholder influence strategies in a project context.

While research on influence strategies focuses on stakeholders' actions and behavior given that they have mobilized, extant research on stakeholder mobilization is concerned with factors that actually enable and drive the initiation of stakeholder activities. This stream of research has mainly focused on studying stakeholder specific determinants and attributes associated with stakeholder mobilization. According to Rowley and Moldoveanu (2003) the prevailing assumption in the literature is that stakeholders' feeling of urgency is the primary condition driving stakeholders to take action. Mitchell et al. (1997) argue that urgent stakeholders are more likely to take action than those not possessing this attribute. Resources are also critical to stakeholder mobilization, since stakeholders have to have the resources available to pursue certain influence strategies. della Porta and Diani (1999) divide resources into two groups: material resources such as money, labor, telephones, computers and non-material resources such as

Table 1 Stakeholder influence strategies in the context of global projects (modified based on Aaltonen et al., 2008; Frooman, 1999; Hendry, 2005; Rowley & Moldoveanu, 2003).

Type of stakeholder influence strategy	Description
Direct withholding or usage strategy	Internal and business related stakeholders restrict the project's access to critical resources which are controlled by the stakeholder (i.e. subcontractors, financiers or government agencies granting permits). In direct usage strategies, there are additional conditions that are not directly related to business transactions.
Indirect withholding or usage strategy	These strategies are more likely employed by secondary stakeholders to influence the project's access to resources that are controlled by business related stakeholders. In indirect usage strategies, the stakeholder attempts to include additional conditions for the use of resources.
Resource building strategy	Business related stakeholders gain access to resources that are critical to project implementation. Secondary stakeholders acquire material and non-material resources such as computers, labor, leadership, consensus and moral engagement. Due to the uniqueness of projects, stakeholders do not usually have adequate resources in the early phases of the project.
Coalition building strategy	Stakeholders seek to find a favorable position in the project network and build alliances with other project stakeholders.
Conflict escalation strategy	Stakeholders attempt to involve in the conflict such stakeholders whose claims increase the salience of their own claims. Stakeholders may also escalate the conflict beyond the initial project related causes (e.g. political) and hence a project may become an arena for non-project-related battles.
Communication and credibility building strategy	Stakeholders use different types of media to communicate and increase the legitimacy of their claims and acquire resources, for example, capable individuals with a good reputation.
Direct action strategy	Stakeholders organize protests, boycotts, demonstrations and road blockades.

leadership, consensus and moral engagement. Savage et al. (1991) argue that the potential for stakeholder action is a product of how the focal firm acts on the issues most closely related to the stakeholder's interest. Rowley and Moldoveanu (2003) suggest that in addition to stakeholder's interest intensity also identity and role related factors are important determinants of stakeholder mobilization to influence the focal organization and help to clarify why stakeholders are willing to use power, even in circumstances where they are fighting for a lost cause.

Secondary stakeholders' influence strategies during the project lifecycle

A project creates a dynamic context for stakeholder management because it moves through a lifecycle (Morris, 1982: 155–157). Generally, an investment project lifecycle advances through three main phases: the investment preparation phase, the project execution phase and the operations phase (Morris, 1982: 156; Turner, 1999). The project phases are dramatically different and have an impact on both stakeholders' possibilities to engage in a diverse set of influence activities, as well as on the project management's willingness to take into account and respond to stakeholders' claims.

In the following, we develop propositions that explain secondary stakeholders' potential to influence the project management's decision making in the three distinctive phases of the project lifecycle. The concept of salience is understood in line with Mitchell et al. (1997), as the degree to which the project management gives priority to competing stakeholder claims in their decision making process. Our propositions apply to secondary stakeholder groups, such as environmental activist groups and organized community groups — groups that are not in a common association with the focal project.

Investment preparation phase

The main decisions related to a project are made during the investment preparation phase. After this phase is complete, it is more difficult for project management to take into account stakeholder claims that would have a major impact on the definition of the project (Miller & Olleros, 2001: 93). The decisions made in the highly institutionally related investment preparation stage have an overriding impact on the later phases of the investment project. The investment preparation typically includes the feasibility phase and the planning and design phase (Morris, 1982). Agreement on project size, financing, schedule, organization and location is sought in the feasibility phase. The feasibility stage is strategic in its nature in the sense that after project formulation, feasibility studies, and strategy design and appraisal, a project "go/no go-decision" is made. When a go-decision is made the project moves into the planning and design phase. In this phase, the technical definition of the project is widened as schedule, budget and financing are refined, contracting strategy is defined and permit applications are made. In the design phase, the main decisions related to the use of technology are made, which affect the selection of potential subcontractors.

It is widely assumed in both contemporary project management literature and in ethical guidelines of infrastructure projects (IFC, 2007) that the project preparation phase is a stage where different stakeholders with differing opinions and objectives have the best possibility of affecting the project's objectives and outcomes (Flyvbjerg et al., 2003: 113; Kolltveit & Gronhaug, 2004; Miller & Lessard, 2001a; Miller & Lessard, 2001b: 209). The underlying logic is that by including different parties with diverse preferences and objectives in the project planning process, disturbances to plans and other threats to action in the execution and operations phase are minimized. Consequently, from the project management's perspective, secondary stakeholders, including a project's opponents, are in the most powerful position to influence the project management's decision making in the investment preparation phase because so many decisions have yet to be made and it is sill possible to make changes to plans. Hence, in this phase the goal conflict between the project and stakeholders, even with adversarial claims, is at its lowest. Therefore, from the project management's perspective secondary stakeholders' salience attributes of power, legitimacy and urgency (Mitchell et al., 1997) are highest during the investment preparation phase and their claims are more likely to be taken into account in the managerial decision making.

Based on the above discussion we make the following proposition.

Proposition 1. *The salience of secondary stakeholders is highest during the investment preparation phase.*

Flyvbjerg et al. (2003: 84) argue that estimates and forecasts made in the investment preparation phase of megaprojects by project decision makers are often biased and flawed. The prevailing tendency by decision makers and project promoters seems to be to highlight the desirability of projects and diminish the potential negative consequences of the projects (Grün, 2004: 54). In environmental impact assessments interregional, global, systemic and the long-term effects of projects are often ignored in order to favor a certain kind of outcome (Flyvbjerg et al., 2003: 84). In addition, Flyvbjerg et al. (2003: 87–88) note that in practice negatively affected stakeholder groups are involved only to a limited extent and typically at a late phase of the project lifecycle. Dismissing opposing stakeholders can be understood from the project management's short-term perspective as an effort to secure and promote a project's go-decision: taking too many opposing claims and voices into account, especially from stakeholder groups that are not powerful and not in a contractual relationship with the project, provides a threat to the actual project go-decision. Indeed, the investment preparation phase is inherently uncertain, fuzzy and political (Hellgren & Stjernberg, 1995), which can be deliberately utilized by the project management to promote their project — potentially opposing stakeholders are not provided with in-depth information about the project, nor are they actively engaged and encouraged to provide their opinions in terms of the project. From the project management's perspective, strategically limiting the involvement of certain, typically opposing stakeholder groups is wise in order to reach a project go-decision.

Furthermore, in practice, project management always prioritizes claims posed by diverse stakeholders during the investment preparation phase. Consequently, secondary stakeholders' salience is not perceived to be very high in comparison with stakeholders that are in a contractual relationship with the project. Project management is likely to prioritize the requests of business stakeholders, especially if they have legitimate claims that are in line with the contract, project plans or generally accepted project implementation methods. Managers are less likely to take into account a claim made by a secondary stakeholder that is not aligned with the project's goals and will require a significant amount of resources from the project.

Therefore, we propose the following:

Proposition 2. *The higher the potential goal conflict between the project and the secondary stakeholders, the less salient the secondary stakeholders are during the investment preparation phase.*

Due to the unique nature of a project, the opposing stakeholder groups do not oftentimes even exist before the project, but emerge as a result of the project (Olander & Landin, 2005). It takes time for secondary stakeholders to arrange and organize their activities, collect resources and spread their message, especially in cases where the group has not been active in the past. Both material and non-material resources are critical for stakeholders taking action (della Porta & Diani, 1999). From the perspective of stakeholders taking action and using influence strategies, urgency has been found to be a relevant attribute. Mitchell et al. (1997) argue that urgent stakeholders are more likely to take action than those that do not possess this attribute. Limited information sharing by the project management may lead to a situation where secondary stakeholders are not yet aware of their interest and of the urgency concerning the project in the investment preparation phase. The low level of urgency in the investment preparation phase is also due to the unique nature of project operations: it takes time for secondary stakeholders to become conscious of the critical nature of their claim. Furthermore, due to the unique nature of a project, secondary stakeholders have not necessarily gained experience in the use of different strategies to advance their claim and influence the project. Previous experience and path dependence may also have an influence on stakeholder behavior and on the types of power related influence strategies stakeholders have available for use (Lamberg, Pajunen, Parvinen & Savage, 2008; Rowley & Moldoveanu, 2003). Therefore, we propose:

Proposition 3. *The likelihood of secondary stakeholders using influence strategies is low during the investment preparation phase.*

Project execution phase

After the investment preparation phase, the project moves into the project execution phase where civil works are conducted, equipment is delivered, installed and tested. This phase is more tactical and efficiency-oriented in its nature when compared to the investment preparation phase, which involves the dominant consideration of strategic and institutional issues by high level management. The project execution phase is characterized by heavy commitments through which project business stakeholders lock in choices that were made during the design phase and thereby give up most of their ability to change their decisions (Miller & Olleros, 2001: 97). From the project management perspective, secondary stakeholders' salience decreases significantly when the construction of the physical project product starts and the project management's commitments increase. In particular, the irreversibility of decision making decreases secondary stakeholder's power, legitimacy and urgency to influence the project. In turn, the salience of those stakeholders that participate in the actual project implementation increases during the execution phase. Therefore, management is likely to prioritize the requests of business stakeholders, especially if they have legitimate claims that are in line with the contract, project plans or generally accepted project implementation methods. In the execution phase, project management is likely to discard any claim that may negatively influence the project's budget, timetable or the technical performance of the final project product as defined in the project plans. One reason for this is that at this stage, changes to the plans are particularly costly or even impossible (Flyvbjerg et al., 2003: 86). The idea of "planned isolation" (Lundin & Söderholm, 1995) during the project execution phase is to protect the project implementation from any type of external disturbance that may threaten the effective implementation of the project.

Therefore we propose:

Proposition 4. *The salience of secondary stakeholders decreases as the project proceeds from the investment preparation phase to the project execution phase.*

Taking action is an issue for stakeholders, as it takes time for them to arrange and organize their activities, especially in cases where the group has not been active in the past. Furthermore, secondary stakeholders need to attain resources and become conscious of the urgency of their claim which takes time due to the unique nature of the project. As the project proceeds to the execution phase, secondary stakeholders have had time to comprehend the consequences of the project and the criticality of their claims, as well as to organize their activities — they are capable of action. An important issue that also contributes to stakeholders taking action and the active use of influence strategies during the project execution stage is the visibility of the project: a rising mill may act as a trigger for stakeholder opposition, as the project product and its consequences actually "materialize" and are no longer just plans on paper (Miller & Lessard, 2001a; Miller & Lessard, 2001b). The visibility of the project creates momentum amongst the stakeholders and may potentially entice new opposition and encourage new local stakeholders to join the group — in other words the formation of a mass movement is more likely. Therefore, in many cases, the active opposition and action against a project does not start before the project execution phase.

Proposition 5. *The likelihood of secondary stakeholders using influence strategies is high during the project execution phase.*

Due to the irreversibility of decision making, the project management's perception of secondary stakeholders' urgency and legitimacy decreases significantly during the project execution phase. As all the major decisions concerning the project have been completed, the goal conflict between the project management and opposing stakeholders is on a high level. It is unlikely that the project management will give up their claim and abandon the project at this stage. Resource dependence theorists have studied situations, where the interests of the parties are conflicting, and they are unwilling to undergo further negotiations (Frooman & Murrel, 2005; Pfeffer & Salancik, 1978). The argument is that when interests diverge and negotiations have reached a standstill, power will determine the outcome and the resolution of the conflict. Therefore, in the project execution phase, secondary stakeholders will most likely try to increase their power attribute in order to be able to promote their claim in the eyes of the management. Therefore, we make the following proposition:

Proposition 6. *Secondary stakeholders are likely to employ influence strategies that increase their power attribute during the project execution phase.*

Operations phase

The operations phase involves the turnover and start-up during which, operations planning is completed, the project is tested and finished, and the operating systems are commissioned (Morris, 1982: 156). In the transition process from the project execution phase to the operations phase, the salience of opposing stakeholders decreases remarkably, as the end product of the project is finished and operations start. Even though secondary stakeholders may understand that they have basically lost their case and they only have a slight chance of influencing the project outcome, stakeholders may continue the promotion of their claims and the active use of influence strategies. In this phase, rational, interest-based perspectives do not provide explanations for the secondary stakeholders' behavior. Instead, the identity-based perspective (Rowley & Moldoveanu, 2003) may explain secondary stakeholders' behavior in the operations phase: opposing activity and the use of influence strategies is a means of maintaining and strengthening the group's identity and the critical nature of the claim for the stakeholders. Therefore, stakeholders are also more likely to use influence strategies that help to maintain their identity. We propose:- *Secondary stakeholders are likely to employ influence strategies that maintain the group's identity during the operations phase.*

Towards the end of the project execution phase, the focus of the opponents' attention begins to shift away from advancing a specific claim related to a project, to the long-term opposition of the project business. In other words, stakeholders are not necessarily continuing to oppose the project itself but rather tend to oppose any potential future projects. Therefore, we propose:

Proposition 8. *If there is a possibility of similar projects in the future, secondary stakeholders are more likely to continue the use of influence strategies.*

Methodology

In order to gain a more in-depth understanding of stakeholders taking action and the use of various stakeholder influence strategies during the project lifecycle, we selected a case study based research design (Eisenhardt, 1989; Yin, 2003) to analyze a unique pulp mill construction project carried out in Uruguay. The case of Botnia is used to deepen our understanding of the developed theoretical propositions by illustrating how they can be interpreted in the analysis of an opposing secondary stakeholder group's behavior in a real life project. Therefore, in this paper that is primarily conceptual, the individual case study is used for illustrative purposes (Siggelkow, 2007). Following the suggestion made by Neville and Menguc (2006) we grounded our discussion on one specific claim, to move the mill to another location. This claim was made by an opposing secondary stakeholder group, Argentinian Citizens Environmental Assembly of Gualeguaychú (henceforth referred to as CEAG), a local citizens' organization, which was not directly involved in the project execution and did not have a formal contractual bond with the project. The complexity of the project, the interesting nature of the secondary stakeholder's claim to move the mill to another location, and good access to empirical data through public sources were the main reasons for the selection of this particular case.

The data for the case study was collected from public sources. Botnia project-related articles and stories published in the two main Finnish financial periodicals, Kauppalehti and Talouselämä, during 2005—2007 were the primary source of data. Other public project related material and documentation, such as the draft cumulative impact study of the pulp mill that was conducted by the World Bank, was also used to support the analysis. In addition, several different Internet sources were used to complement the material. Furthermore, our analysis was discussed during an interview with Botnia representatives. In the first stage of the case analysis, we familiarized ourselves with the case material and created a picture of the series of events. After this, two researchers independently documented the incidents and formed a timeline of important project related incidents (both stakeholder related and non-stakeholder related), which were then compared. After compiling the list of stakeholder specific events, we identified different activities that CEAG used to advance their interest and mapped them to the project lifecycle. The activities were then further analyzed, at which time, patterns of activities emerged. Following Mintzberg's (1987) definition of strategy as a pattern of behavior, the patterns that we discovered can be interpreted as stakeholder influence strategies.

Research context

The focal company in the case is Botnia S.A. (further referred to as Botnia), which is jointly owned by several Finnish-based companies. It was founded in 2003 to carry out the cellulose pulp mill investment project in Uruguay. The project is the largest Finnish foreign private industrial investment ever and is also the largest industrial investment in the history of Uruguay. The preparations for the pulp mill investment project began in the late 1990s by searching for appropriate locations in South America. After country and location analyses and various negotiations, the location of Fray Bentos was selected. However, at this point, Botnia representatives stated that there was no particular reason for selecting Fray Bentos instead of the other locations in Uruguay that were considered. The environmental authorization to build the mill was received in February 2005 from the Uruguayan government. The formal decision to invest in a cellulose plant at Fray Bentos on the banks of the Uruguay River near the Argentinian border was made in March 2005. The investment size was over 1 billion US dollars, of which 60% was to be funded with equity and 40% with external financing. In 2003, before Botnia made its intention of building the pulp mill public, a Spanish company named Ence received permission to build a pulp mill in the same location. Some protests against Ence were organized early on by the Argentinian residents of Gualeguaychú city, which is located 35 km from Fray Bentos. Their claim was concerned with the pulp mill polluting the river, which would, among other things, significantly harm the flourishing tourism industry in the town. One of the most significant stakeholder groups that aimed to influence the investment project was CEAG, a local citizens' organization, who demanded that the pulp mill should be moved to another location.

The construction of the Botnia's plant began in early 2005. During the project lifecycle, CEAG used multiple influence strategies to advance their claim. CEAG has persistently promoted its claim that the mill should be moved to another location and has not shown any willingness to compromise on this matter. Correspondingly, Botnia has maintained their position that the mill is environmentally friendly and emphasized the benefits that the mill brings to the region's economy. The mill started its operations in November 2007. However, the world's longest lasting roadblock is still on place on the bridge between Uruguay and Argentina.

Fig. 1 illustrates a timeline of Botnia's investment project and significant events during the project. In addition, Appendix A includes a brief description and further empirical evidence on the different influence strategies that have been employed by CEAG.

Case analysis

Investment preparation phase (1999—2005)

Key persons for the project were selected by Botnia in the autumn of 2004. Special attention was placed on cultural issues and the language skills of the key personnel. The importance of local knowledge was emphasized at every phase and plans were also made to use Argentinian companies as subcontractors. An emphasis was also placed on adequate and informative secondary stakeholder communication. However, communication was done systematically and properly only on the Uruguayan side of the border, where the local people were seen to benefit from the project and were expected to be positive about it. One information session was organized on the Argentinian side as well, but the turnout was poor and no further measures were taken to engage the Argentinians in the process. Additionally, the socio-economic study of the impacts of the pulp mill project that were reported in June 2004 did not heavily involve, engage and consult the local Argentinian stakeholders who would potentially oppose the project. There were no stakeholder interviews conducted on the Argentinian side, and the

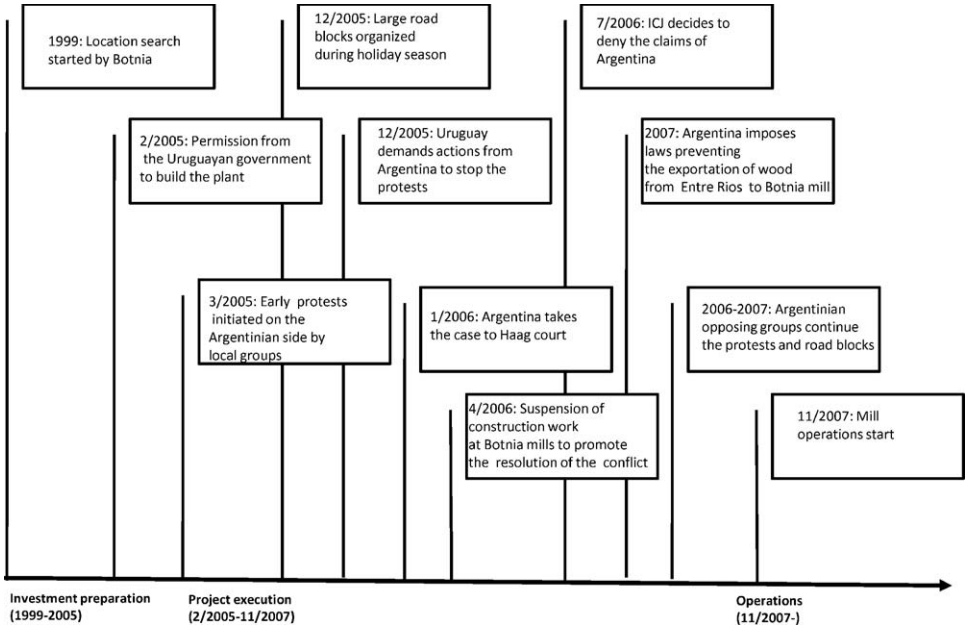

Figure 1 Botnia's investment project timeline.

report states that ''the study of Entres Rios in Argentina was limited by data availability''.

The engagement process in the investment preparation phase was not conducted in an in-depth and widely engaging manner: opposing stakeholders on the Argentinian side were, at least to a certain extent, ignored. This approach can be understood from the project management's short-term perspective that was focused on securing an investment decision: Taking too many claims and voices into account, especially from such stakeholder groups that are not powerful and that oppose the project, provides a threat to the actual project go-decision. As Flyvbjerg et al. (2003: 84) maintain, the environmental impact assessment, the main approach for decision makers to predict environmental effects, is often inaccurate and has a scope that is too narrow and restricted in respect to impacts and their time horizon. In addition, the institutionalized practices of the Finnish forest industry's investment projects, focused on efficient project implementation, may also explain why Botnia did not consider secondary stakeholders' potential resistance during the investment preparation phase: According to Ainamo (2005), the example set by a Finnish-based global engineering consulting firm, Jaakko Pöyry, on how to carry out major investment projects efficiently and with speed became a model among Finnish firms in the pulp and paper industry. Finally, Botnia was given the green light by the Uruguayan government in 2005 and the investment was made public at the same time.

In conclusion, Botnia's project management perceived the secondary stakeholders, especially those on the Uruguayan side of the border, as salient during the investment preparation phase: Botnia organized information sessions, interviewed the locals for the socio-economic impact assessments and offered secondary stakeholders a forum to voice their opinions. However, the engagement and consulting process was not conducted in an in-depth manner in the Argentinian side where secondary stakeholders (CEAG) were opposed to the project. In other words, due to a higher goal conflict CEAG was perceived as less salient than the secondary stakeholders in the Uruguayan side that were in support of the mill. Furthermore, due to the dismissal approach towards CEAG, the information concerning the forthcoming mill was not extensively circulated among the local Argentinian residents during the investment preparation phase. In addition, at this point CEAG was not well organized and lacked resources. Therefore, their use of influence strategies was limited during the investment preparation phase.

Project execution phase (2005—2007)

Once the permission to build the plant was received from the Uruguayan government in February 2005, active construction work at the site was started. Before permission was granted, a local group and non-profit organization, CEAG had started to organize in order to represent the Gualeguaychú community opposition against the Botnia mill. Stakeholders' organizing is a crucial issue in the context of temporary and unique projects: the opposing stakeholder group, CEAG, did not even exist before the project, but emerged as a result of the project. Therefore, it took CEAG time to spread their message among Argentinians, collect the resources needed for organized action and increase the cohesion among the group in order to be able to enact influence strategies. Since the Argentinian stakeholders were not deeply engaged and informed during the investment preparation phase they could not actively influence the investment decision. Therefore, intensive stakeholder activity was shifted to the project execution phase. CEAG started the active use of influence strategies as the construction work began in April 2005 and the mill became visible.

In early 2005, CEAG started gathering both material and non-material resources: for instance, it recruited persons with legal experience who had connections to the Argentinian government and started to collect funding. Direct action strategies such as demonstrations and road blocks were used to increase and to communicate the urgency of the claim. Diverse media channels such as letters, information sessions, e-mails, handing out pamphlets and contacting financiers were used for communicative purposes. After the construction work had started, it was evident that the claim to move the mill to another location was not considered legitimate by the project management. Due to the irreversibility of decision making and the increasing commitments made by project management in the execution phase, the project management attempted to shield the project from any type of disturbance and any claims that could threaten the project. CEAG's communication strategies were therefore not focused on the project management, but rather enacted to increase the urgency and legitimacy of the claim within CEAG's own organization and among other potential stakeholders that would support CEAG's objectives or have the power to influence the project management's decision making. One of the strategies used by CEAG was to actively communicate the message that the pulp mill would pollute the river and that the decision about the mill was not made properly because not all parties were consulted — the purpose was to increase the legitimacy of the claim that the mill should be moved in the eyes of those stakeholders that were resource providers for the project. For example, Argentine's Secretariat of Environment and Sustainable Development, who was also CEAG's previous counsel member, sent a speculative letter to IFC authorities claiming that the environmental impact studies did not provide any new data and that one part of the study was actually handled by an engineer who had previously been hired for the environmental study that had been conducted by Botnia.

Stakeholders do not always pursue their objectives alone, and may use coalition building strategies to cooperate and form alliances with other stakeholders to increase the salience of their claims (Neville & Menguc, 2006). Communication strategies support stakeholders in their endeavors to build coalitions with other stakeholders. Therefore, communication strategies are a prerequisite for coalition building strategies: an awareness of the claims is needed to enhance the building of the relationships and interaction among different parties, as was the case between CEAG and Argentinian political actors. Allying processes could only start after different parties were aware of the legitimacy, motives and driving forces behind the other group's claim. CEAG actively built coalitions with other stakeholder groups that could advance their own interests by supporting the claim to move the pulp mill to a different location. Some of the other stakeholders' interests were clearly not project related: for example, in the case of the

Government of Argentina, the interest was also related to gaining political benefits by supporting the claim. However, stakeholders with diverging underlying motives and objectives allied to strengthen each others' power: allying processes strengthened CEAG's network position and in this way increased its power. The coalition with the Argentinian political parties was strengthened due to the political situation in Argentina: the pulp mill conflict was used as a means of promoting the politicians' positions in the presidential and regional elections that took place during the project execution phase. The coalition also enabled the use of conflict escalation strategy, in which CEAG was able to engage actors with a political agenda to support its claim by creating a political conflict between Argentina and Uruguay.

Communication and coalition building strategies enable the use of indirect withholding strategies. Indirect withholding strategies are based on influencing the decision making of those stakeholders that have resources that can be withdrawn from the focal project. The targets of indirect influence strategies during the project execution phase are, to a large extent, determined by resource-related decisions that are made by the project management during the investment preparation phase. For example, at the beginning of the year 2007 Argentina threatened to impose laws that would ban the export or transportation of wood from Argentina to Uruguay. Similarly, the Dutch bank ING announced, in April 2006, that it would abandon its advisory role for Botnia, an action which is commonly assumed to be a result of the frequent attempts by Argentinian activists to target organizations that were funding the pulp mill project. CEAG further attempted to influence the financial resources provided by the banks by, for example, initiating letter-writing campaigns against them. However, these indirect withholding strategies did not succeed because Botnia was able to decrease its resource dependency on wood supplies from Argentina, and the opposing groups were not able to convince the financing institutes that the factory was going to be environmentally harmful. In October 2006, IFC and the Multilateral Investment Guarantee Agency (MIGA) released the final version of its environmental study stating that the pulp mill project is environmentally sound and a positive force for the Uruguayan economy.

In conclusion, as the project proceeded from the investment preparation phase to the project execution phase, the salience of CEAG in the eyes of the Botnia's project management decreased. This was due to the increasing goal conflict between the project and CEAG: CEAG maintained its stance that it would be best if the mill was moved after project management had made irreversible decisions concerning the investment project. Furthermore, during the project execution stage, CEAG was in a better position to take action and use influence strategies due to the collected material resources, an increased group of supporters and cohesion among them. In particular, CEAG focused on using indirect influence strategies that were meant to increase their power, such as building embedded relationships with Argentinian political groups.

From project execution to the operations phase

The Botnia mill received its operation permits on the 9th of November 2007. To protect the start-up of the mill, Uruguay closed the border between Argentina and Uruguay in order to prevent conflicts or demonstrations on the Uruguayan side. During the project lifecycle, the opponents of the mill persistently maintained their claim that the mill should be moved to another location and did not show any willingness to give up their claim.

In the transition process from the project execution phase to the operations phase the salience of opposing stakeholders decreased significantly. The start-up of the mill ended the actual project implementation phase, as the mill was completed. At this point the claim to move the mill can be considered to have had rather low salience. Almost from the beginning of the project execution phase, stakeholders started using direct influence strategies such as demonstrations and road blocks to prove and increase the urgency of their claim. Stakeholders continued to promote their claim even after they had little hope of succeeding: the world's longest lasting road block on the bridge between Argentina and Uruguay still continues. Towards the end of the project execution phase the focus of CEAG's attention began to shift from opposing the particular project to a long-term opposition of the planned future pulp mill projects in the area. Additionally, CEAG's behavior can be interpreted from the identity-based perspective (Rowley & Moldoveanu, 2003): opposing activity and the use of influence strategies is a means of maintaining and strengthening the group's common identity and the criticality of the claim for the stakeholders. In other words the intensity of expressive influence strategies, such as a direct action strategy, may still be rather high at the end of the project execution phase, even though stakeholder salience and the potential to get the claim through has significantly decreased.

In conclusion, during the operations phase, CEAG has actively used such influence strategies that support the maintenance of the group's common identity such as demonstrations and roadblocks. Furthermore, since there is a possibility of similar projects in the future, it is likely that CEAG will continue the roadblock on the border of Uruguay and Argentina.

Conclusions

The challenges and risks in global projects are not purely technical, but are arguably more in managing the social, political and cultural aspects in the context of several actors with differing objectives, goals and strategies. By adopting a project lifecycle perspective, the paper deepens the understanding of secondary stakeholders' influence behavior in the context of large engineering projects (Flyvbjerg et al., 2003; Grün, 2004; Jaafari, 2004; Morris & Hough, 1987; Miller & Lessard, 2001a; Miller & Lessard, 2001b). Projects as unique, goal oriented and temporally limited endeavors with different lifecycle phases provide a unique context for the study of stakeholder behavior. Each lifecycle phase has its own distinctive characteristics that have an effect both on the capacity of stakeholders to take action and use influence strategies and on the project management's willingness to take into account different stakeholders' claims. Our theoretical analysis and empirical illustration of the Botnia case increases our understanding of the dynamism of secondary stakeholder behavior in the different phases of the project lifecycle. Although existing project stakeholder models pro-

vide tools for analyzing stakeholder issues, they do not provide specific propositions that would explain stakeholder dynamics during the project lifecycle. Based on our theoretical analysis, we created a set of propositions, which are relevant in the analysis of secondary stakeholder behavior during the different phases of the project lifecycle.

While a number of factors and perspectives may explain the potential of secondary stakeholders to influence the project management's decision making, our analysis in particular adopts a lifecycle perspective on stakeholder behavior — a perspective that has been missing from much of the earlier project stakeholder literature. Project specific characteristics such as the uniqueness of projects and the irreversibility of decision making were identified to influence both stakeholders' salience, i.e. how stakeholders' requests will be prioritized in the decision making processes, as well as stakeholders' capability to take action and use different influence strategies. In addition to the identified project specific characteristics, the institutionalized practices and standards of the Finnish forest industry may explain why Botnia did not take into account the opposing secondary stakeholders' claims during the early phases of the project. Evidently, also Botnia was influenced by the ideal of the Finnish forest industry to carry out major investment projects with speed and efficiency (Ainamo, 2005), which may explain why the company was rather blind to the possibility of local resistance. Furthermore, the empirical illustration in the Botnia case deepens our understanding of the content and interplay of different influence strategies that secondary stakeholders may use to advance their claim. From a managerial perspective, an increased understanding of secondary stakeholders' attributes, concerns and behaviors in projects is needed, so that we can better understand how to successfully engage secondary stakeholders in the project management's decision making processes.

Our analysis reveals an interesting paradox with regard to the optimal timing for including secondary stakeholders, such as CEAG, in the project's decision making processes. While from the project management's perspective secondary stakeholders are most salient in the investment preparation phase and, hence, have the best chances to influence the project management's decision making, in practice, due to the unique and temporary nature of projects, secondary stakeholders are most likely not able take action and enact influence strategies during the early phase of the project lifecycle. In other words, in a stage where influence concerning the project's decision making is considered to be most acceptable from the project management's perspective, the possibilities of secondary stakeholders to take action and voice their opinions are low. This mismatch of timing in the possibility to influence and the capability to influence may result in conflict escalation during the project execution phase. Interestingly, a similar notion with regard to the challenge of engaging all interested stakeholders in the decision making processes during the early phases of the project has also been made in the field of technology management from a broader societal perspective (Schot, 2001).

Our research opens up avenues for project management scholars in particular. The implications of secondary stakeholders' use of influence strategies during the project lifecycle should be considered especially from the project stakeholder management perspective: the effectiveness of engaging secondary stakeholders continuously and systematically throughout the project lifecycle instead of only emphasizing the early phases of the project should be further examined. Furthermore, our case analysis provides a rather simple example of the use of different influence strategies by one secondary stakeholder organization, embedded in a network of other stakeholders with differing attributes, interests and claims. Therefore, a more in-depth analysis of diverse stakeholders' interests and the multidimensionality of their demands in a multiple case study setting should be conducted. Moreover, our case analysis presents only initial insights concerning the temporal ordering of the different influence strategies. Future research could analyze further factors that explain the use and temporal ordering of the identified influence strategies during the project lifecycle. Additionally, the study is focused specifically on the behavior and salience of such secondary stakeholders that oppose the project. Further research could study the salience and influence of other types of stakeholders during the different phases of the project.

Furthermore, we believe that global projects as a context offer an excellent opportunity to study the dynamism of stakeholder behavior and, hence, contribute to the general understanding of the dynamic character of stakeholder management. Our theoretical point of departure was stakeholder theory and project management literature. We acknowledge that other theoretical perspectives such as social movement theories may explain influence strategies employed by local pressure groups. Additionally, we propose that challenges related to the secondary stakeholder groups are similar in other types of projects, such as organizational change and development projects. Thus, a lifecycle perspective could be further developed and studied in other types of project contexts.

Acknowledgement

We greatly acknowledge the significant help of Professor Juha-Antti Lamberg in the development of this paper.

Appendix A. Classification and description of stakeholder influence strategies in the Botnia case

Type of stakeholder influence strategy	Influence strategies in the Botnia case	Description
Resource building strategy	CEAG recruited persons that had experience on IFC and connections to the Argentinian government, and hence utilizing previous personal connections, and their knowledge e.g. American lawyers with work experience from World Bank.	Stakeholders tried to acquire critical and capable physical and human resources such as recruited capable individuals to their group to increase their power and capability to act effectively.
	Argentina multiplied the budget of the environmental ministry and distinguished the office from the health ministry. Romina Picolotti was appointed as a minister in spring 2006. *''It was a smart move, which aim was to appeal to the Botnia opponents. Our current president has a habit of recruiting people from different social movements''* (Policy Expert, Alexis Palombarani).	Opponents started collecting financing, physical resources and knowledge resources as soon as the information of the upcoming plant was published so already before the actual project execution stage.
Credibility building and communication strategy	Opponents organized local information sessions on the environmental effects of the mill.	Stakeholders increased their legitimacy by acquiring credible and capable resources, for example capable individuals with good reputation or networks. Furthermore, stakeholders initiated awareness of the effects of the project in the local community through different information medias. Stakeholders also used other types of communication media to increase the legitimacy and urgency of their claims. With these activities they tried to increase their legitimacy and attempted to affect negatively the reputation of the project and the parties actively involved in it.
	Stakeholders handed out pamphlets, communicated face-to-face with by-passers, organized boycotts against Finland and initiated letter-writing and e-mail campaigns and posted video clips and images of the pulp mill to Internet (e.g. YouTube).	The informing and communication activities were initiated immediately after the publication of the project. During the project the stakeholders tried for instance to utilize Ence's withdrawal as an example of a moral action of other legitimate companies. Stakeholders pointed out that withdrawals are possible and feasible in such situations.
	Opponents accused Botnia and IFC for impartial environmental evaluations.	Botnia's response was to assure the environmental friendliness of the mills. *''Our mill creates jobs. It creates added value to primary production countries. The just published research shows clearly that the concerns on the Argentinian side, such as the mills' effects on tourism are not justified''* (Financial director of Botnia, Ville Jaakonsalo). *''We have done the environmental evaluations and the plant uses the latest technology''* (Managing director of Botnia, Jussi Pesonen).
	CEAG and Argentina utilized Ence's withdrawal as a showcase of the legitimacy of the claims.	
		Botnia employed a local media office in Argentina and reinforced its communication department in fall 2006.

Appendix A (*Continued*)

Type of stakeholder influence strategy	Influence strategies in the Botnia case	Description
		Furthermore Botnia invited opponents' representatives to Finland to get to know the Finnish mills. Opponents stated that they are only willing to visit a plant that is in Chile, Argentina or Mosambik or in other cellulose plants of the third world, not in Finland. *''We rejected the invitation to Joutseno, there is no rationale in visiting a mill that is different in terms of its technology, smaller and which is operated in an environment which has a strict control. There is no idea to visit an excellent plant in Finland because we do not anyway see the same kind of responsible plant operation in Uruguay''* (CEAG director, Jorge Taillant).
Coalition building strategy	CEAG built actively networks and coalitions with the local citizens, Uruguayan environmental groups and international environmental groups. CEAG networked actively with powerful local government representatives and national government representatives and seek political support. CEAG searched international political support. *''When I say this (the Botnia mill) is an issue of our nation I know I fulfill my obligation in front of the nation and my homecountry''* (Argentina's president Kirchner).	Stakeholders' built alliances with other project stakeholders in order to increase their power and legitimacy and thus to be more capable to oppose the plant. The coalition process was initiated at the early phases of the project as the investment was made public. The coalition formation process was an evolving process, during which the claims and interests of the opponents were formed and the positions established but also redefined. With the coalition building with organizations having an inter-dependence relationship with the project the stakeholders increased their power base and legitimacy as the density of the stakeholder network around the project decreases the potential of the project to neglect stakeholders. As a response to the coalition building process Botnia supported quietly its own coalition and the critical organizations to its project. *''All our permits are in force, and Uruguay's government wants us to continue.''* (CEO of Botnia, Erkki Varis). Botnia also came up in order to disband the Argentina side coalition by e.g. stating that the political level opponents do not truly oppose the mill itself.
Direct action strategy	Opponents organized direct events such as protests, blockades, road blocks during holiday seasons and prevented transports to the pulp mill site. Opponents organized a scene that attracted media attention at an EU meeting. Opponents have continued protests indicating the urgency and criticality of the claims for Botnia. Opponents have threatened that the protests will continue also in the stage when the actual plant operations start. *''Civic organizations take part, but the managership and leadership is within the popular movement. People unionize in front of a threat with immense strength. This is a challenge for civic organizations: they can support and be loyal but the popular movements are stronger than any civic organization.''* (Greenpeace's Secretary General).	Direct continuous activity was a means to signal the urgency, time-sensitivity and criticality of the project to a stakeholder. The aim was also directly affect the progress of the project. Furthermore the strategy reinforced the sense of common identity among the mill opponents. The direct action strategy was initiated early in the project but the extent of it increased during the project. *We will tighten our fight until Botnia leaves Fray Bentos''* (CEAG representative, Alfredo De Angeli). Botnia opposed the road blocks and Uruguay considered them as illegal. Botnia hired extra resources to ensure the security of the mill. Botnia had become aware of the risk before and built some buffers to their plant execution schedule.

Appendix A (*Continued*)

Type of stakeholder influence strategy	Influence strategies in the Botnia case	Description
Indirect withholding strategy	CEAG lobbed actively on project sponsors and financial parties (e.g. IFC and the Dutch bank) by sending letters and informing them about the speculated effects of the pulp mill.	Stakeholders tried to influence a project's access to resources that are not directly controlled by the specific stakeholder to increase their power and to prevent the building of the plant.
	CEAG lobbed actively Argentinian governmental representatives to pass laws which would harm the operations of the plant.	Stakeholders initiated the letter-writing campaigns as soon as the potential financial parties were mapped and the potential roles and positions of project companies established. This was in the early phases of the project execution process. Their attempt was to influence the Botnia resource providers such as financiers by proclaiming that being involved in such a project will harm the reputation of the company. Botnia continuously came up convincing the acceptability of the plant as a response to the indirect withholding strategies employed by the opponents, and aimed to ensure and safeguard its financial and material resources. The opponent stakeholders' strategy however touched a chord in some of the financing and guarantee parties: "*The political risk of the project has grown. We need to consider what this opposition poses to our ability to continue the guarantees. The opposition may pose changes to the whole financing package of the plant. Some civic movements and Argentina have approached us with the claim that we should stand aside from the project.*" (Finnvera's deputy managing director, Topi Vesteri).
Conflict escalation strategy	Argentina took the conflict to the international court. CEAG gave full support for Argentina at its attempts. Local Argentinian politicians utilized the project as an arena for promoting their political carriers. "*We have evidence on that Botnia's ships leave filled with water after the material delivery. The Finnish company is ripping-off our resources and they have not communicated on this with the government of Finland*" (An Argentinian politician, Garbino).	Stakeholders initiated a legal and political conflict to increase and express the legitimacy and urgency of their claims. Stakeholders attempted to escalate the conflict beyond initial project related causes to political issues. Through this process the project became an arena for non-project-related battles. The conflict escalation strategy was employed in the execution phase of the project when the conflict had continued for a while. Botnia disassociated itself from the conflict between the countries in order to promote the resolution of the conflict. Furthermore, Botnia agreed to halt the construction work to promote the resolution in Spring 2006. "*We want to support the initiation of the negotiations between the presidents of Uruguay and Argentina by stopping the construction work*" (CEO of Botnia, Erkki Varis). Botnia also supported the introduction of political middlemen. "*We want to support the Uruguay government in the conflict resolution with means that are possible for us. We are committed to the project and to our company's long-term operation within the area. We hope that the resolution process and King Juan Carlos presence will lead to a solution and that this will promote spreading of the correct information to the people on the Argentinian side.*" (CEO of Botnia, Erkki Varis).
Direct withholding strategy	Argentina imposed a law, which prevents the transportation and exporting wood to Uruguay from Argentina in Spring 2007.	The primary aim of stakeholders is to restrict project's access to critical resources, which will ultimately have some kind of decelerating effect on the project. Furthermore this strategy increases the power of the stakeholder.

Appendix A (*Continued*)

Type of stakeholder influence strategy	Influence strategies in the Botnia case	Description
	Argentina discriminated Argentinian subcontractors that were planning to work in Uruguay.	Powerful direct withholding strategy such as passing laws to prevent resource flows was utilized when the conflict had already escalated and when the locus of the conflict had became a political one. This was during the intermediate stages of the project execution. However, threats to prevent the working of Argentinian subcontractors were already posed in the early construction phase.
	Opponents prevented transportation from Chile via Argentina to Uruguay and blocked roads near the border of the countries to prevent wood transport to the plant.	The response of Botnia was to increase the eucalyptus supply from Uruguay and expand the plantation in Uruguay in order to safeguard the supply. More local Uruguayan subcontractors were employed. The strategy damaged Ence since it had relied on extensive wood supply from Argentina. Finally Ence cancelled its plant construction.

References

Aaltonen, K., Kujala, J., & Oijala, T. (2008). Stakeholder salience in global projects. *International Journal of Project Management, 26*(5), 509—516.

Achterkamp, M., & Vos, J. F. J. (2008). Investigating the use of the stakeholder notion in project management literature, a meta-analysis. *International Journal of Project Management, 26*, 749—757.

Ainamo, A. (2005). Coevolution of knowledge management processes: Drawing on project experience in a global engineering consulting firm. *Research in Management Consulting, 5*, 107—129.

Atkin, B., & Skitmore, M. (2008). Editorial: Stakeholder management in construction. *Construction Management and Economics, 26*(6), 549—552.

APM. (2006). *APM body of knowledge* (5th ed.). Association for Project Management.

Bourne, L., & Walker, D. H. T. (2005). Visualizing and mapping stakeholder influence. *Management Decision, 43*(5), 649—660.

Bryde, D. J., & Robinson, L. (2005). Client versus contractor perspectives on project success criteria. *International Journal of Project Management, 23*(8), 622—629.

Carroll, A. B. (1989). *Business and society: Ethics and stakeholder management*. Cincinnati: South-Western.

Chinyio, E. A., & Akintoye, A. (2008). Practical approaches for engaging stakeholders: Findings from the UK. *Construction Management and Economics, 26*(6), 591—599.

Clarkson, M. B. E. (1994). A risk based model of stakeholder theory. In *Proceedings of the second Toronto conference on stakeholder theory*.

Clarkson, M. B. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review, 20*, 92—117.

Clarkson, M. B. E. (1998). *The corporation and its stakeholders—Classic and contemporary readings*. University of Toronto Press.

Cleland, D. I. (1986). Project stakeholder management. *Project Management Journal, 17*(4), 36—44.

Cleland, D. I. (1998). Stakeholder management. In J. Pinto (Ed.), *Project management handbook* (pp. 55—72). San Francisco: Jossy-Bass, Project Management Institute.

Cornell, B., & Shapiro, A. C. (1987). Corporate stakeholders and corporate finance. *Financial Management, 16*, 5—14.

Cova, B., & Salle, R. (2005). Six key points to merge project marketing into project management. *International Journal of Project Management, 23*, 354—359.

della Porta, D., & Diani, M. (1999). *Social movements: An introduction*. Maiden, MA: Backwell.

Diallo, A., & Thuillier, D. (2005). The success of international development projects, trust and communication: An African perspective. *International Journal of Project Management, 23*(3), 237—252.

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review, 20*, 65—91.

Eesley, C., & Lenox, M. J. (2006). Firm responses to secondary stakeholder action. *Strategic Management Journal, Strategic Management, 27*, 765—781.

Eisenhardt, K. (1989). Building theories from case study research. *Academy of Management Review, 14*(4), 532—550.

El-Gohary, N. M., Osman, H., & El-Diraby, T. E. (2006). Stakeholder management for public private partnerships. *International Journal of Project Management, 24*, 595—604.

Flyvbjerg, B., Bruzelius, N., & Rothengatter, W. (2003). *Megaprojects and risk: An anatomy of ambition*. Cambridge: Cambridge University Press.

Fraser, C., & Zhu, C. (2008). Stakeholder perception of construction site managers' effectiveness. *Construction Management and Economics, 26*(6), 579—590.

Freeman, R. E., & Evans, W. M. (1990). Corporate governance: A stakeholder interpretation. *Journal of Behavioral Economics, 19*, 337—359.

Freeman, R. E., & Reed, D. L. (1983). Stockholder and stakeholder: A new perspective on corporate governance. *California Management Review, 25*(3), 93—94.

Friedman, A. L., & Miles, S. (2006). *Stakeholders: Theory and practice*. New York: Oxford University Press.

Frooman, J. (1999). Stakeholder influence strategies. *The Academy of Management Review, 24*(2), 191—205.

Frooman, J., & Murrel, A. J. (2005). Stakeholder influence strategies: The roles of structural and demographic determinants. *Business and Society, 44*(1), 3—31.

Grün, O. (2004). *Taming giant projects: Management of multi-organization enterprises*. Berlin: Springer.

Hellgren, B., & Stjernberg, T. (1995). Design and implementation in major investments—A project network approach. *Scandinavian Journal of Management, 11*(4), 377—394.

Hendry, J. R. (2005). Stakeholder influence strategies: An empirical exploration. *Journal of Business Ethics, 61*, 79—99.

Hill, C. W. L., & Jones, T. M. (1992). Stakeholder-agency theory. *Journal of Management Studies, 29*, 131—154.

IFC. (2007). *Stakeholder engagement: A good practice handbook for companies doing business in emerging markets*. International Finance Corporation.

Jaafari, A. (2004). Modeling of large projects. In P. W. G. Morris & J. K. Pinto (Eds.), *The Wiley guide to managing projects*. John Wiley & Sons Inc.

Key, S. (1999). Toward a new theory of the firm: A critique of stakeholder theory. *Management Decision, 37*(4), 317—328.

Kolltveit, B. J., & Gronhaug, K. (2004). The importance of the early phase: The case of construction and building projects. *International Journal of Project Management, 22*, 545—551.

Kujala, J., Murtoaro, J., & Artto, K. (2007). A negotiation approach to project sales and implementation. *Project Management Journal, 38*(4), 33—44.

Lamberg, J.-A., Pajunen, K., Parvinen, P., & Savage, G. (2008). Stakeholder management and path dependence in organizational transitions. *Management Decision, 46*(6), 846—863.

Langtry, B. (1994). Stakeholders and the moral responsibilities of business. *Business Ethics Quarterly, 4*, 431—443.

Lundin, R. A., & Söderholm, A. (1995). A theory of temporary organization. *Scandinavian Journal of Management, 11*(4), 437—455.

Mathur, V. N., Price, A. D. F., & Austin, S. (2008). Conceptualizing stakeholder engagement in the context of sustainability and its assessment. *Construction Management and Economics, 26*(6), 601—609.

McElroy, B., & Mills, C. (2003). Managing Stakeholders. In R. J. Turner (Ed.), *People in project management* (pp. 99—118). Gower: Aldershot.

Meyer, J. W., & Rowan, B. (1977). Institutional organizations: Formal structure as myth and ceremony. *American Journal of Sociology, 83*, 340—363.

Miller, R., & Lessard, D. (2001a). Understanding and managing risks in large engineering projects. *International Journal of Project Management, 19*, 437—443.

Miller, R., & Lessard, D. (2001b). *The strategic management of large engineering projects: Shaping institutions, risks and governance*. MIT Press. p. 259.

Miller, R., & Olleros, X. (2001). Project shaping as a competitive advantage. In R. Miller & D. R. Lessard (Eds.), *The strategic management of large engineering projects*. Massachusetts Institute of Technology.

Mintzberg, H. (1987). The strategy concept 1: Five Ps for strategy. *California Management Review, 30*(1), 11—24.

Mitchell, R. K., Agle, B. R., & Wood, D. J. (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—886.

Moodley, K., Smith, N., & Preece, C. N. (2008). Stakeholder matrix for ethical relationships in the construction industry. *Construction Management and Economics, 26*(6), 625—632.

Morris, P. W. G. (1982). Project organizations: Structures for managing change. In Kelley & J. Albert (Eds.), *New dimensions of project management*. Lexington, MA: Arthur D.

Morris, P. W. G., & Hough, G. H. (1987). *The anatomy of major projects—A study of the reality of project management*. Chichester: John Wiley & Sons.

Neville, B. A., & Menguc, B. (2006). Stakeholder multiplicity: Toward an understanding of the interactions between stakeholders. *Journal of Business Ethics, 66*(4), 377—391.

Olander, S., & Landin, A. (2005). Evaluation of stakeholder influence in the implementation of construction projects. *International Journal of Project Management, 23*, 321—328.

Olander, S. (2007). Stakeholder impact analysis in construction project management. *Construction Management and Economics, 25*(3), 277—287.

Orr, R., & Scott, W. R. (2008). Institutional exceptions on global projects: A process model. *Journal of International Business Studies, 39*(4), 562—588.

Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations*. New York: Harper & Row.

Project Management Institute. (2008). *A guide to the Project Management Book of Knowledge (PMBOK)* (4th ed.). Newtown Square, PA: Project Management Institute.

Rowley, T. J. (1997). Moving beyond dyadic ties: A network theory of stakeholder influences. *The Academy of Management Review, 22*(4), 887—910.

Rowley, T. J., & Moldoveanu, M. (2003). When will stakeholder groups act? An interest- and identity-based model of stakeholder group mobilization. *Academy of Management Review, 28*(2), 204—219.

Savage, G., Nix, T., Whitehead, C., & Blair, J. (1991). Strategies for assessing and managing stakeholders. *Academy of Management Executive, 5*(2), 61—75.

Schot, J. (2001). Towards new forms of participatory technology development. *Technology Analysis and Strategic Management, 13*(1), 39—52.

Siggelkow, N. (2007). Persuasion with case studies. *Academy of Management Journal, 50*(1), 20—24.

Smyth, H. (2008). The credibility gap in stakeholder management: Ethics and evidence of relationship management. *Construction Management and Economics, 26*(6), 633—643.

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review, 20*, 571—610.

Turner, J. R. (1999). *The handbook of project-based management—Improving the processes for achieving strategic objectives* (2nd ed.). London: McGraw-Hill.

Ward, S., & Chapman, C. (2008). Stakeholders and uncertainty management in projects. *Construction Management and Economics, 26*(6), 563—577.

Winch, G. M. (2004). Managing project stakeholders. In P. W. G. Morris & J. K. Pinto (Eds.), *The Wiley guide to managing projects*. New Jersey: John Wiley & Sons Inc.

Winch, G. M., & Bonke, S. (2002). Project stakeholder mapping: Analyzing the interests of project stakeholders. In D. P. Slevin, D. I. Cleland, & J. K. Pinto (Eds.), *The frontiers of project management research*. Project Management Institute.

Yang, J., Shen, Q., & Ho, M. (2009). An overview of previous studies in stakeholder management and its implications for the construction industry. *Journal of Facilities Management, 7*(2), 159—175.

Yin, R. (2003). *Case study research: Design and methods* (3rd ed.). Sage Publications.