PAPERS

Stakeholder Management Strategies and Practices During a Project Course

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ABSTRACT

In stakeholder management, a key question is: How can an actor/organization (e.g., a project) under different contingencies apply strategies to develop the relationship with each stakeholder into a favorable one seen from the focal organization's perspective? Based on an in-depth longitudinal case study, we provide detailed descriptions of how a project management team worked with its stakeholder relationships. Applying a practice approach, we explore how stakeholder management practices emerged and evolved as embedded actions and interpretations related to perceptions of each stakeholder's harm and help potentials. We show how trust was both input to and outcomes of the managerial action.

KEYWORDS: stakeholder theory; trust; practice approach; stakeholder management strategies; help and harm potentials; development project; case study

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Research Gap and Purpose of the Article

A project can be seen as a temporary organization (Lundin & Söderholm, 1995), established to create benefits through transitions, and one that needs resources (Pfeffer & Salancik, 1978). Individuals, groups, or entities, which may affect or be affected by the project—the so-called 'stakeholders' (Freeman, 1984)—possess various sorts of resources (e.g., expertise, decision power, money, goodwill, influential contacts, and so forth). An important part of project management is to interact with the stakeholders in order to make them contribute what the project needs.

Normative project management literature (IPMA, 2006; PMI, 2008) emphasizes stakeholder identification, stakeholder analysis, and stakeholder management strategy decisions at the front-end of a project, even though it is recognized that neither a stakeholder management strategy for the whole project course, nor day-to-day stakeholder practices, can be wisely planned at the beginning of the project course (Andersen, 2008; Jepsen & Eskerod, 2009). As the project environments may be drifting (Kreiner, 1995), the way project management teams deal with and respond to stakeholders over time needs to be situated and flexible in order to stay adequate as the context changes (Vaagaasar, 2006).

Project stakeholder management literature relies to a great extent on stakeholder theory within strategic management (Eskerod & Huemann, 2013). The literature on stakeholder theory (Freeman, 1984; Savage, Nix, Whitehead, & Blair, 1991; Jawahar & McLaughlin, 2001; Mitchell, Agle, & Wood, 1997; Parmar et al., 2010) suggests that the focal organization (i.e., the project) should apply certain stakeholder management strategies based on the assessment of the stakeholder at hand. The literature, however, has a number of limitations: It does not provide a very detailed description of the contents of the stakeholder management strategies; nor does it touch upon the challenges and possibilities related to changing strategies during a time span in a detailed manner (Parmar et al., 2010). Further, it does not specifically relate the strategies to temporary organizations like projects (Littau, Jujagiri, & Adlbrecht, 2010).

Even though managing stakeholders is considered to be a key to project success (IPMA, 2006; PMI, 2008), project management research also suffers from the same weaknesses as mentioned above (Jepsen & Eskerod, 2009). In addition, empirical research exploring in depth how stakeholders are actually dealt with during a project course appears to be quite limited, even though exceptions exist (Aaltonen & Sivonen, 2009; Vaagaasar, 2011).

The purpose of this article is to contribute to the understanding of stakeholder management strategies and practices during a project course.

Our contribution is twofold. First, we discuss frameworks and concepts in the existing literature that are relevant when analyzing the stakeholder management strategies and practices of projects and their stakeholders. We place emphasis on the project management team's perceptions of the stakeholders' potential for helping and/or harming the project's processes and outcomes.

We specifically raise the issue of trust to understand the development of relationships between a project management team and the project stakeholders.

Second, based on an in-depth longitudinal case study, we provide detailed descriptions of how two stakeholder relationships evolved over two and a half years in a complex technology development project. We describe the various activities that the project management team actually undertook to cope with the stakeholders over time. Further, we describe how a number of factors were entwined and co-evolved, including: the team's perception of the stakeholders' harm and help potentials, the project management team's actions as well as the stakeholders' actions, technological problems, competence issues and, not the least, trust-related issues. We show how the stakeholder management in practice consisted of both planned and emergent actions and how trust developed, along with the stakeholder management practices, being both input to and outcomes of the practices that evolved. Our study shows the value of taking a practice approach to stakeholder management and the importance of performing longitudinal studies.

The outline of the article is as follows: In the next section, we present the core concepts underlying the research; thereafter, we present the methodological approach. In the following section, we analyze two stakeholders at three points in time during the project course by applying the concepts presented in the first part of the article. The following section provides discussions of the findings. Finally, we conclude on the research, point to limitations, and offer suggestions for future research.

Theoretical Background

Freeman (1984, p. 46) originally defined stakeholders as: 'any group or individual who can affect or is affected by the achievement of the organization's objectives.' Since then, the stakeholder concept has become a salient part of project management (Cleland, 1985; Crawford, 2005; Aaltonen, 2010). The basic idea of project stakeholder management is that the project management team can increase the possibility of project success by influencing stakeholders (PMI, 2008). With this approach, the project management literature positions itself in the discourse within stakeholder management literature that applies an instrumental approach to stakeholder management in opposition to a normative or ethical approach (Donaldson & Preston, 1995; Freeman, Harrison, & Wicks, 2007; Freeman, Harrison, Wicks, Parmar, & De Colle, 2010; Julian, Ofori-Dankwa, & Justis, 2008). An instrumental approach implies seeing stakeholder management as a means to making the stakeholders contribute in a way aimed for by the focal organization, in other words, the project. Even though this seems rather manipulative, the emphasis on influencing stakeholders is accompanied by an assumption of the project management team acting as agent for the stakeholders (Andersen, 2008). The agency is governed by negotiations as well as contractual agreements in the front-end of the project in order to ensure that the project objectives, as well as the project plan, are incorporating the interests of the project stakeholders (Eskerod & Jepsen, 2013). It is, therefore, beneficial for both the project stakeholders and the project management team that the latter interacts with the project stakeholders in ways that make them contribute as needed by the project. The assumption of clear correspondence between the project stakeholders' interests and the project management team's interests can be questioned, although this is outside the scope of this article.

Building on the resource dependency view of the organization (Pfeffer & Salancik, 1978), the project management literature envisions stakeholders as possessors of resources needed by the project in order for the project management team to create value for the same stakeholders and other stakeholders. This is in line with Coff (1999), who states that 'a firm generates rent [i.e., value] '*when all stakeholders receive sufficient compensation to hold them in place (pay > or = opportunity costs)* **and** *some stakeholders get more than would be required to hold them in place (rent)*' (Coff, 1999, p. 121, italics and boldface in original text).

Each stakeholder is assumed to have a free will, in other words, a power of choice (Barnard, 1938), and therefore, the project management team must work with the stakeholders to convince them to provide the contributions needed by the project. Further, the project management team only has limited resources (seen in a very broad sense in terms of money, time, management attention, and so forth) to spend on project stakeholder interactions. The project management team, thus, needs to make strategic choices on how to deal with each stakeholder. In addition, a differentiation can be made between internal and external stakeholders as seen from the focal organization's view (Freeman, 1984), indicating that the focal organization has better means to impact the behavior of internal stakeholders. Savage et al. (1991) suggest that the project management team, for various issues related to the project, should identify and diagnose the stakeholders in order to decide on an overall strategy for interacting with each of them. Inspired by Freeman (1984), they suggest that the diagnosis should be based on each stakeholder's potential to cooperate with the organization and the stakeholder's potential to threathen the organization (i.e., the help and harm potentials) on a certain issue. This framework highlights four different types of stakeholders: Supportive (high help potential, low harm potiential), Mixed Blessing (high help potential, high harm potential), Nonsupportive (low help potential, high harm potential), and Marginal (low help potential, low harm potential) (Figure 1).

A core implication of the framework is that managerial resources should be

		Stakeholder's Potential for Threatening the Project (= harm potential)	
		HIGH	**LOW**
Stakeholder's Potential for Cooperation with the Project (= help potential)	**HIGH**	MIXED BLESSING *STRATEGY:* COLLABORATE	SUPPORTIVE *STRATEGY:* INVOLVE
	LOW	NONSUPPORTIVE *STRATEGY:* DEFEND	MARGINAL *STRATEGY:* MONITOR

Figure 1: Project stakeholder type framework (Adapted from Savage et al., 1991).

dedicated to stakeholders with high harm and/or help potential rather than equally distributed among all stakeholders. A Mixed Blessing stakeholder is especially important because this stakeholder may turn into a Supportive stakeholder or a Nonsupportive stakeholder over time, depending on the development of the relationship with the stakeholder. Savage et al. (1991) suggest that the strategy toward a Mixed Blessing stakeholder should be 'to collaborate'; if maximal collaboration exists, it is more difficult for the stakeholder to threaten the focal organization. Further, the authors suggest that a "fundamental stakeholder management strategy is to transform the stakeholder relationship from a less favorable to a more favorable one" (Savage et al., 1991, p. 71); in other words, to transform a Mixed Blessing stakeholder into a Supportive stakeholder. This can be done by using the strategy for the aimed-for stakeholder type; in other words, not only 'to collaborate' with the stakeholder but 'to involve' the stakeholder in decision making in the project work, as well as applying participatory management techniques. Our research intends to provide an empirical answer to how these strategies can be practiced and how they may evolve over time and under what conditions. The conceptual contribution of Savage et al. (1991) makes very good sense in a project context, because the project cannot be accomplished without (1), the willingness and ability to contribute by stakeholders with high help potentials, and (2), the avoidance of adverse actions from stakeholders with high harm potentials.

Further, the framework by Savage et al. (1991) is in line with Savage et al. (2010), who suggest the use of 'integrative strategies' to create a win–win outcome for both the focal organization and the stakeholder. These strategies involve supportive attitudes or behaviors toward the stakeholder. Teaching the stakeholder is an example of an integrative strategy. The alternative to integrative strategies is 'distributive strategies' (Savage et al., 2010) in which the focal organization tries to create a win–lose outcome at the expense of the stakeholder.

In addition to pieces of advice on how to diagnose the stakeholders and make strategic decisions on how to interact with each of them, it is widely acknowledged that the success of interorganizational projects depends on trust between the focal organization and its stakeholders (Kadefors, 2004; Koskinen & Pihlanto, 2007; Maurer, 2010; Smyth, Gustafsson, & Ganskau, 2010). The notion of trust is, therefore, an important concept when studying relationships with stakeholders.

When participating in relationships we can never have all the information we need about the past and present, and certainly not about the future. To a great extent, the concept of trust is related to the future, as it is about anticipations of possibilities and uncertainties regarding outcomes as well as about the willingness to be vulnerable to results that have not yet taken place (Gustafsson, 2003), implying that the amount of trustworthiness is based on an on-going evaluation process. Trust is required when there are uncertainties (Smyth et al., 2010) and lack of knowledge. A number of questions exist from the project's point of view: First of all: Do the stakeholders trust us? And how does this influence their behavior and expectations? Secondly: Do we trust a stakeholder? When and why do we trust a stakeholder and how does this influence our behavior and expectations toward this stakeholder? On the one hand, trust can help strengthen the relationship between the project management team and each project stakeholder in a manner that serves the project. The underlying assumption is that if we trust we open up, share more knowledge and, possibly, put in more effort than if we do not trust. This can increase the stakeholder's sense of satisfaction (Bresnen & Marshall, 2000). On the other hand, lack of trust will often lead to actions to secure self-interest, for example, by both parties holding back information, developing extensive contracts, and linking them to economic consequences and working hard with documentation (Smyth et al., 2010).

Trust varies in 'thickness' (Hosmer, 1995; Luhmann, 1989; Mayer, Davis, & Schoorman, 1995). Luhmann (1989) suggests that actors that are thickly trusting act as if there were no risks—because they see the other person as trustworthy. Trust that is based on personal relationships is commonly seen as the thickest one (Powell, 1996).

Building on the work of Barney and Hansen (1994), Koskinen and Pihlanto (2007) introduce four types of trust for a project setting: (1) deterrence based trust, (2) role based trust, (3) knowledge based trust, and (4) identification based trust.

The deterrence based (or calculus based) trust is a fragile form of trust in which one violation can erode the relationship. The parties in such a relationship act as anticipated because they fear negative consequences from not acting this way. The second type of trust is the so-called role based trust. This trust is based on the competence expectations of the other party related to the role this party possesses. It is an impersonal trust made on categorical assumptions; this type of trust is important in settings with limited time to build trust through getting to know each other. This may often be the case in projects in which the project management team and the project stakeholders need to interact immediately. A third type of trust, the knowledge based trust, develops on the basis of the history of interaction. The fourth type, identification based trust, is the thickest form of trust (Koskinen & Pihlanto, 2007). This trust is based on an emotional connection between the parties and exists because the actors understand each other's intentions, expectations, and desires. Typically, a high and mutual commitment between the parties exists, as well as a good relationship that is intended to be a long-term one (even though the project itself is temporary). When this kind of trust is established, one party is allowed to act fully as an agent for the other. In sum, when we talk of deterrence based trust we imply limited trust, whereas trust based on knowledge or due to identification implies quite extensive trust. In business environments, trust will be based on all four components and it will develop in long-term relationships between organizations that invest in this relationship and adapt to each other (Koskinen & Pihlanto, 2007).

Research Approach and Methods of Analysis

Because we aimed to capture how stakeholder management practices evolve over time, we needed a longitudinal study. We conducted a case study in which we followed a project for two and a half years, inspired by the ethnographic research approach. The case we studied was a five-year long complex development project in Scandinavia. The project's task was to develop and implement a communication system for railways, in accordance with the European standard for this type of communication; it was financed through the national state budget.

Our unit of analysis was the dual relationships between the project management team and the project stakeholders as proposed by Parmar et al. (2010), mainly investigating them from the view of the focal project. We started out analyzing documents, such as the project handbook and external project documents. Document analysis was followed up by more than twenty open interviews (Kvale, 1996) with the project manager and various key stakeholders. This provided time and freedom to openly explore questions appearing to be important as the project unfolded. We combined the interviews by extensively observing, for more than one year, the weekly management meeting of the project management team. This meeting was the main arena for stakeholder interaction planning. Applying an inductive and explorative approach (Lincoln & Guba, 1985), we focused on (among other things): How does the project management team interact with the various stakeholders in order to make them contribute sufficiently?

Further, one of us participated as an observer at the monthly meetings between the project management team and the parent organization that "owned" the project; the monthly meetings between the project and its sub-contractors; the project council meetings; and meetings between the project and its different user groups. The observations were made without interfering with the interactions observed—to the extent possible.

Our data collection and data analyses have been entwined processes, in which data were analyzed in parallel with the data collection (Hammersley & Atkinson, 1997). We worked systematically with sensitizing questions (Strauss & Corbin, 1998) to make sense of the data, as well as discourse analyses (Potter & Wetherell, 1987). The details of the study have been published in a separate book, in which the entire story is presented at length (Vaagaasar, 2006; see also Acknowledgments). In this article, we focus on stakeholder strategies and practices toward two external key stakeholders, the main supplier and the project owner, because these provided a rich picture on how the relationships as well as the trust types between the project management team and some of the stakeholders changed significantly during the project course.

Descriptions and Analyses of Stakeholder Interactions in Practice

In this section, we offer descriptions of interactions with the two chosen stakeholders at various times after the project started and integrated analyses are also presented (in italics):

- T1: After ½ year
- T2: After 1½ years
- T3: After 2½ years

The descriptions place emphasis on the actions and means applied by the project management team, the team's perception of the stakeholders' competence, commitment and harm and help potentials, as well as how the interactions (for example, the communication intensity and level of interaction) evolved. To some extent, the responses of the stakeholders (as the project management team perceived them) are also captured.

At the time the project started the technical task was in focus, whereas relational activities with the stakeholders were not considered as much. The project management team seemed optimistic and eager with regard to efficiency and efficacy in project task solving. The belief in technological control was quite established; however, as the project progressed, it encountered great uncertainties related to technological

development, supplier competence and, not the least, the relationships to various stakeholders. A multitude of stakeholders displayed a great variety of interests. Over time, the interaction with and management of stakeholders became a salient part of the project activities.

At **Time T1,** the main project framework and tools were in place; some procedures for the interactions were established, including extensive standards and specifications for the delivery. A main supplier had been contracted and the project management team had been mobilized. The project management team had identified salient stakeholders and decided upon some initial strategies for dealing with the stakeholders. The financing of the first phase of the project roll-out had been approved by the Ministry of Transportation.

At **Time T2,** the project was in the development phase for civil works, and extensive system design was on going. The design was delayed and incomplete according to schedules and specifications, which were imposing great difficulties for project execution and threatening the fulfillment of major upcoming milestones. The budgeting process for the remaining phase of the roll-out was on going, and assumed to be dependent on successive delivery of the upcoming milestones. The project management team expressed a perception of extreme time pressure. Not making this delivery would draw extensive attention in the national media, with possible political consequences. It would have severe consequences for the reputation of the base organization (i.e., the project owner) and potentially jeopardize the national state funding of the project's second phase (which was approximately half of the project's total scope). If the design and implementation of the system had failed, it could have led to potential close down of sections of the national railroad network.

At **Time T3,** the project had made the critical parts of its deliveries throughout the previous year. Critical milestones had been met, although with minor delays. To achieve this, the project management team, along with the main supplier, had redefined the scope to a minimum to satisfy the needs of authorities. The functionality, which was required to maintaining the safety, was delivered and the first phase was considered a success. There were major challenges related to system design and implementation, which were postponed to the later phase. Due to the problems, which occurred in the deliveries up to this point, there were major contractual disputes going on.

In sum, the project management team succeeded with the project, delivering a well-functioning system on time, within budget, and with satisfied stakeholders. The project manager said that one important reason for this was the ability they had developed to manage the stakeholders effectively.

In the next section, we track the project management team's relationships with the project's main supplier and the project owner across T1, T2, and T3 and relate the activities to the concepts presented earlier.

The Relationship With the Main Supplier

Next we will describe the relationship between the project management team and the main supplier, mostly from the perspective of the project management team.

Time T1

Only two possible suppliers for the system development existed. The supplier was chosen because it held a central position on a European level, and the project management team believed that the supplier's technical competence was high. Additionally, other units within the base organization of the project held long-term relationships with other business units in the supplier's organization. The project management team planned various means for structuring the interactions with the supplier (e.g., contractual formalities, formal reporting, reporting meetings, kick-off meetings, as well as management meetings) and also between managers above the project level. A friendly atmosphere existed, and both parties expressed respect for each other's competence and 'way of doing things.' Further, a strong sense of interdependence existed, because failure would have exposed both parties heavily in the media. Frequent communication took place, but mostly related to the established formal channels for planning and reporting. Informal communication was limited.

Both parties frequently referred to the other party in positive terms, often referring to the good reputation of the other party or to other good relationships at different hierarchical levels between the two companies. According to the project manager, this increased a positive 'gut feeling' and made it easier to establish yet another relationship with the supplier. Further, the project management team emphasized that the supplier possessed specialist competence with regard to subject matters because it had been heavily involved in the development of the European standard for the system. Additionally, the project manager got assurance from prominent people in the supplier's organization that they would stand up for the project.

Contractual work received massive attention, as both parties put extensive work into the development of contracts in order to secure their own interests. A mixture of securing self-interests and the idea that "we are in this together—and let's make [positive] history together" was displayed.

Applying the framework by Savage et al. (1991), the main supplier at T1 could be categorized as a Supportive stakeholder. The help potential was high (as it was one of few possible experts for this particular task, and as it was willing and eager to be part of the project), whereas the harm potential was low (because the project team still had the opportunity to contract with another

main supplier instead, even if it might be burdensome).

In line with the recommendations offered by Savage et al. (1991), the project management team pursued a collaboration strategy. This was done by plenty of communication between the two parties, but mainly formal, while at the same time paying massive attention to developing contracts concerning the collaboration. The contractual work observed is expected behavior in large, public projects financed over the national state budget, yet it could also indicate that the project wanted to have a detailed contract to fall back on if the collaboration didn't work out as expected. In addition, the project management team tried to anchor this particular relationship by referring to other well-functioning relationships (other projects and departments) between the two parties as well as anchoring the relationship to prominent persons in powerful positions.

The empirical material indicates that the project management team trusted the supplier. The trust present was mainly a role based trust (Koskinen & Pihlanto, 2007) as it was related to the professional role of the stakeholder (which can be seen by the references to the good public reputation as well as to the role that the supplier had taken in the development of the standards), rather than to the project management team's own direct experience of the supplier as being trustworthy.

Time T2

One year later, the project management team and the supplier experienced a rather critical period. The project task solving was challenging, and the supplier had difficulties producing the required solutions with efficiency and efficacy. The project faced a possible delay with regard to its first major delivery. Missing this delivery would mean severe consequences. The project management team displayed disappointment with regard to the technical competence of the supplier. Regardless of the collaboration efforts employed, to some extent, the relationship was eroding.

The supplier seemed unable to deliver the system to the technical specifications in a timely manner; in addition, their ability to plan work processes and design cycles was criticized by the project management team. The supplier, on the other hand, criticized the project management team, who was responsible for substantial contributions and input to the different processes, for shortcomings and delays. Rigorous systems and routines were established with both parties to document deliverance and track progress.

At this point in time, the project management team expressed a weakened belief in the dedication of the supplier. Believing that they had troubles meeting their first major deadline, the project management team discussed how to tell this to the various stakeholders. In this discussion, it was mentioned several times how the project management team feared that if they would miss out on the deadline, and the supplier learned about this, the supplier would give priority to other tasks and other projects. This would have delayed the project even more. For example, the project manager said to the other project management team members: *"Yes, and it is important that we do not reduce the pressure on the supplier (. . .)".* Another said: *"The supplier also needs clear procedures for what is going to happen in the upcoming period."*

The supplier showed effort to maintain the project management team's belief in their commitment. They talked about how hard they worked, how committed they were, and that, very soon, they would find the key to solving the problems. They made changes in their own project organization and processes for technical development. Reviews were also amended. Moreover, they accepted a number of interventions from the project management team: Two people from the focal project were placed in the supplier's project organization two days a week, for a period of six months, to help them with the planning. The project management team argued that this was a way of increasing the supplier's competence in requested matters. Indirectly, it also provided the project management team with more control over the project because it could follow the supplier's work very closely. Furthermore, the project management team significantly increased the staff within the technical disciplines in the focal project team itself in order to be able to engage more heavily in technical workshops and design reviews with the supplier.

In addition, the supplier replaced the project manager to improve their own efficiency and efficacy. This only seemed to help the relationship between the two organizations for a while, because the project management team found that the new project manager did not seem sufficiently competent and confident in order to handle the challenges present at this critical point in time.

So, on the one hand, the project management team expressed disappointment about the supplier's technical competence and ability to deliver, as well as uncertainty about their commitment. On the other hand, the project management team acknowledged that delivery was more complex and implied more ambiguity than they had expected, which presented a challenge for both parties. Yet, they also expressed some indignation with regard to the supplier's lacking ability with regard to foreseeing some of the challenges on the road, stating: *'Had they been more competent, a lot of this could have been handled better.'*

At this point in time, the communication was intense both in formally established channels and informally between the base organizations at the middle and top management levels. The project management team undertook various collaboration efforts to manage the relationship; among others, they frequently contacted the supplier's people, asking how they were doing with the deliveries. They initiated meetings at different levels in the organization, from

top management meetings to frequent meetings for technical discussions, and used reviews and workshops between the engineers extensively. Moreover, at this point in time, the project often made references to the contract (and so did the supplier). They hinted at the negative consequences that would appear if the principles had been violated; for example, the negative economic consequences. Moreover, both parties put extensive effort into documenting their own work, making blueprints of contributions, and writing formal letters about the work processes, claims, and so forth.

Applying the framework by Savage et al. (1991), the main supplier at T2 could be categorized as a Mixed Blessing stakeholder with a partly negative attitude toward the project. The help potential was still considered high for the same reasons that were present at T1. However, the harm potential was also perceived as high. Project success depended on extensive collaboration/co-creation between the supplier and the focal project. Displaying lacking technical competence and vagueness with regard to their actual commitment, the supplier came to represent a great threat to project success.

In line with the recommendations of Savage et al. (1991), the project management team worked hard to make the supplier re-enter a positive Mixed Blessing partner or even a Supportive stakeholder by pursuing an involvement strategy. This was done by supplementing the formal communication with massive informal communication, as well as involving managers at various levels in both organizations. This can also be interpreted as pursuing 'integrative strategies' in the framework of Savage et al. (2010). At the same time, the project management team also enforced control (as described above) and threatened the supplier with severe consequences and contractually based penalties if they could not deliver as planned. This can be seen as a 'distributional strategy' in the framework of Savage et al. (2010).

Applying the framework by Koskinen and Pihlanto (2007), the role based trust was eroding, as there was less talk of the good reputations and the competent role the supplier could take. The assumptions on which the role based trust in T1 had been based seemed to be proven partly wrong, because the technical deliveries were haunted by problems and the supplier had problems solving these issues. The interventions aimed at increasing the competence of the supplier team also indicate eroding role based trust. As the role based trust decreased, the project management team was enforced to base the relationship on a deterrence based trust. This meant that the project management team maintained the relationship with the supplier, however, severe control mechanisms were applied and information requested in order to be able to calculate and monitor the supplier's actions and progress. In addition, the project management team's explicit statement of the negative consequences of not delivering also corresponded with the deterrence based form of trust.

Time T3

One year later, a great deal of the technical challenges had been resolved. The process in which they had been resolved, however, had not been characterized by the level of sufficiency and efficacy the project management team had expected. The project management team kept expressing that the supplier lacked the technical competence that was required.

The faith in the supplier's commitment to the project, however, had been reinstalled; both expressed: *"We will stand through thick and thin."* The supplier continued to work very hard and showed a strong commitment to creating success. They had managed to expand their competencies by collaborating with experts within the firm worldwide. Moreover, several of the changes the supplier made at T2 increased their ability to deliver as expected. Once again, after pressure from the focal project management team, the project manager at the supplier was replaced with a project manager who proved to be highly competent in both technical and social matters. The strong interaction on a technical level gave the project management team a reason to believe that the major challenges eventually would be overcome.

At this point, well-established and agreed-on routines to communicate on a day-to-day basis existed. Because of the close relationship, most information was shared between the parties, contractual issues were not discussed at this level, and the communication was based on many shared views.

However, at the managerial level, the discussion on contractual consequences was difficult, and several top management meetings were held without much progress.

Applying the framework by Savage et al. (1991), the main supplier at T3 could still be categorized as a Mixed Blessing stakeholder, but with a much more positive attitude. The supplier was committed to creating shared success and worked hard to compensate for the lack of technical knowledge. Still, due to the lack of competence, the harm potential was also absolutely present.

In line with the statement of Savage et al. (1991), the involvement strategy in opposition to the collaboration strategy in T2 had improved the relationship. There was less talk of contractual agreements, blame, and economic consequences. The communication was less intense, and the project management team made less of an effort to monitor the supplier's activities and decisions in a detailed manner. The project management team and the supplier interacted closely over time and the supplier had shown commitment in talk ('we're in this'), in actions (dedicating more resources, changing key personnel), and in providing transparency in work processes and their progress, and also showing actual progress. The supplier showed that when the project management team made strong requests

for action, the supplier was willing to do as the team demanded, in the manner it was capable of.

The project management team's trust in the supplier's abilities and commitments had increased dramatically. The project had experienced consistency between what the supplier communicated and the actions it actually undertook. Applying the framework by Koskinen and Pihlanto (2007) indicates a knowledge based trust. Moreover, there were some indications of identification based trust as they (both the project management team and the supplier) talked of co-creating success; additionally, they talked in 'we'-form and seemed to act with the best intentions to materialize the process successfully. This was at the project level but, as mentioned, at the top level in the organizations T3 was a most troublesome period of contractual disputes among the two parties.

The Relationship Between the Project and the Project Owner

In this section, we describe the development of the relationship between the project management team and the project owner, mostly from the point of view of the project management team. The project owner role was placed within the construction department of the project's base organization. This construction department had a high standing in the base organization with regard to project execution; yet, it had limited experience with technology development projects of this kind. In the following section, we describe the project management team's relationship to more actors within the base organization, not only the project owner. This will provide the reader with contextual information in order to better understand the project owner's actions and decisions.

Time T1

In its early phase, the project mainly received attention at the technical level from the base organization. The anchoring of the project in corporate strategy and at the top management level was limited. There were numerous stakeholders in the base organization who were very committed and showed positive interest in the project, but their help potential (as well as harm potential) was limited because they had limited ability to influence. At the same time, top management in the base organization appeared doubtful about the project—and was not very eager to give the project first priority, because the project would require extensive resources at the expense of other projects already running. Some of the competencies required were scarce resources in the organization, and financing this project would reduce financing possibilities of other activities considered to be more critical. The project was forced on the base organization by politicians, and no one from the base organization was strong internal supporters of the project. However, a relevant area director of the construction department was assigned the formal role of project owner and held the overall responsibility for the project execution. The project was very different than the rest of the department's project portfolio and represented novel technology and high complexity in the area of competence not familiar to this department. Furthermore, the project management team was already in place and had been recruited from other branches and all external to the organization. At this point, the project owner role was vague and the person holding it rather distant. As a consequence, the project management team experienced little support or governance and became a quite autonomous part of the construction department.

At this point in time it did not seem like the project management team put much effort into improving the relationship with the project owner. The team seemed to have a good connection at the political level, and this distant project owner gave the team room for maneuvering and freedom of choice related to strategies and solutions in the planning phase.

Applying the framework by Savage et al. (1991), the project owner at T1 could be categorized as a Mixed Blessing stakeholder. The project owner was a powerful stakeholder who had both high help and high harm potentials because he had a major impact on the project processes and the priorities given to the project within the base organization. The project owner displayed a partly negative attitude toward the project, but was not displaying much effort either to help or harm the project. This indicates a possible extension of the framework of Savage et al. (1991) in the sense of intensity of engagement of a stakeholder in order to activate (exploit) its potentials. In the case study, the project owner could be characterized as passive in the first stage (i.e., low intensity of engagement).

Savage et al. (1991) suggest a collaboration strategy toward such a stakeholder or even an involvement strategy in order to apply the strategy for the stakeholder type they want the relationship to turn into (i.e., a Supportive stakeholder). However, the project management team did not take much action to turn this stakeholder into a more positive Mixed Blessing stakeholder or even a Supportive stakeholder. Our interpretation is that this may have to do with the level and type of trust between the two parties.

Applying the framework by Koskinen and Pihlanto (2007), the dominating trust type characterizing the relationship between the project management team and the project owner at T1 seemed to be the role based trust. As previously mentioned, role based trust is based on the belief in the other party's ability to perform one's role competently. However, through talk and action, the project management team showed that they doubted this ability; therefore, the role based trust was weak. This may also relate to the passive behavior of the project owner, in other words, not really filling out the project owner role in the opinion of the project management team.

It was combined by deterrence based trust, because the project management team believed that the project owner would involve himself enough to help the project by, for example, enforcing decisions when needed; in addition, he would not involve himself in the outcomes of the decision processes and not care whether the decisions would inhibit the probable project success (e.g., by imposing a lot of extra work).

Time T2

One year later, the project management team had developed quite an extensive set of relationships with several actors and departments within the base organization. The project deliverance had an impact on many of the operating units, and after the project was decided on and beyond the point-of-no-return, the base organization's dependence on and interrelation to the project grew rapidly. Politicians gave high attention to the project, which seemed to affect the project's anchoring in the base organization as well. Gradually, the project received increasing attention; still, the project owner held quite a low profile and appeared vague. Due to the relative novelty of the project, the project owner displayed limited technical competence.

In this situation, the project management team actively maneuvered to increase the competence and commitment to the project. Some of the activities it undertook were related to presentations and informational meetings with management at several levels in the other units of the organization. Interactions and workshops on professional matters throughout the organization were used to a large extent. Several user groups were established to involve future users of the base organization; however, the project management team also worked to keep the project owner at a distance. The project manager explained that the person holding the project owner role initially had been quite negative toward the project. To some extent, this made the project management team fear his action and talk. More importantly, they were afraid that he, because of the relevant lack of competence with regard to this project, would commit to decisions that would make it hard for the project organization to operate successfully. The project owner was not really a discussion partner, but had more of a distant reporting function. For example, the project manager expressed in an interview that he and other team members on the project management team had *'worked to keep the project owner and others [in the base organization] at an arm's length.'* He explained that they often offered to do the deliberation work, ahead of the decisions important to them; as he saw it, this provided them with more control over the relevant decisions to be made by the project owner and top management.

> 'We do the mapping of the case for them and suggest the solutions. Then we have to invest the resources required to make them accept the suggestion." (The project manager)

The project manager further talked about the proactive decision making:

> "(. . .) Often, the case may be that we need a clarification or a decision, but that we cannot make the decision ourselves. Then the staff holding this mandate neither has the competence nor the resources to do so. But as we can't make the decision ourselves, we have to make sure that we have the right persons involved in order to have them make this decision and that the decision they make is [one] that we can live with. That's what often happens; we have to make sure that those providing the premises make decisions at the right time and that they make the right decisions." (The project manager)

During this period, the communication was mainly directed to internal cross-functional relationships in the base organization for technicians, future users, and middle management. The project management team used means such as formal and informal meetings, presentations, workshops, and user groups.

Applying the framework by Savage et al. (1991), the project owner at T2 could be categorized as a Mixed Blessing stakeholder with a somewhat positive attitude toward the project. The project management team had started to use an involvement strategy that, on the one hand, gained from the help potential by including the project owner sufficiently from the project's perspective; on the other hand, it reduced the harm potential by limiting the project owner's influence (by framing and lobbying of decision alternatives). The project owner himself was still quite skeptical toward the project, yet he mainly expressed quite a positive attitude about the project. Therefore, the project owner's potential for harming the project was decreasing compared with time T1. This development was enhanced by the political dedication to the project, but also due to the fact that the project management team believed to have developed a strategy that it found effective for the situation.

Applying the framework by Koskinen and Pihlanto (2007), the dominating trust type characterizing the relationship between the project management team and the project owner at T2 seemed to remain role based trust as in T1, but the descriptions above show how the project management team, in this critical phase, tried to enable the project owner in performing his role competently. The project management team enforced control by framed information in certain ways to have an impact on decisions and actions, as well as trying to actively intervene in the decision-making processes.

Time T3

One year later, the relationship between the project management team and its project owner had changed. The project owner appeared quite positive regarding the project. At this point, the project management team had brought about major parts of its deliveries and, most importantly, the milestones, which were critical to safety issues and

politically sensitive, had been met. The uncertainties decreased. The attention from the politicians remained high. Also, the project owner (as well as the rest of top management in the base organization) spoke more about the project publicly and talked very favorably about the project. Numerous times, the project was framed as a *'great adventure,' 'very successful project despite its high complexity,'* and to *'represent the base organization of tomorrow.'* In the summary, in a chapter of the base organization's annual report, the project was highlighted as a major success story.

This high level of support also manifested itself internally in the project's base organization in the manner that the project management team experienced a high level of trust in decision-making processes, which made the project management team's position easier. There were challenges in relation to the quality of the training of end users as well as failures on some equipment, but the standing of the project in the organization and the previous efforts made in user communications, workshops, and network meetings made the project management team capable of handling these issues without much fuss. At this point in time the project management team mainly applied the means of user workshops, training camps, and formal report meetings. The interaction was characterized by formal reporting meetings in line with procedures for all the other projects of the department. The project management team at this point in time relied on open formal communication and focused on proving a perception of financial and contractual control. In communicating with the project owner, the project management team narrated stories around how the milestones were met and placed emphasis on strong financial control. Moreover, they publically celebrated milestones to be sure that the press, politicians, and management knew about their success. In its communication with the project owner, and more generally in public, the project management team consciously seemed to compare itself with other resembling projects and labeled their achievement as "world record."

Stakeholder	Assessment Item	Time T1 (after ½ year)	Time T2 (after 1½ years)	Time T3 (after 2½ years)
Main supplier	**Stakeholder type**	Supportive	Mixed Blessing	Mixed Blessing
	Trust type	Role based	Deterrence based	Knowledge based + Identification based
Project owner	**Stakeholder type**	Mixed Blessing	Mixed Blessing	Supportive
	Trust type	Role based + Deterrence based	Role based	Knowledge based

Table 1: Development of stakeholder types (Savage et al., 1991) and trust types (Koskinen & Pihlanto, 2007).

Applying the framework by Savage et al. (1991), the project owner at T3 could be categorized as a Supportive stakeholder. He had the power and will to contribute to the project success (i.e., a high help potential); however, his potential for harming the project had decreased due to the fact that (1) other powerful stakeholders (e.g., the politicians) had expressed a very positive attitude toward the project and, hence, exerted extra pressure on the project owner to support the project; and (2) the project management team had learned to maneuver in a way that made the project owner less influential. This can be interpreted as an involvement strategy in the framework of Savage et al. (1991).

Applying the framework by Koskinen and Pihlanto (2007), the dominating trust type characterizing the relationship between the project management team and the project owner at T3 seemed to be knowledge based trust. As the project owner became more positive toward the project, the project management team experienced over time that the project owner tried (although not always succeeding) to act to facilitate project success. Also, the relationship with the project owner became less important as more powerful stakeholders embraced the project.

Discussions

In this section, we discuss the findings from the analyses of the interactions between the project management team and the main supplier and project owner. A summary of the categorization of the stakeholder types and the trust types is presented in Table 1.

The Dynamics of Harm and Help Potentials

We have described how two salient stakeholder relationships, in the context of a complex development project, changed over time. By interpreting the actions and expressions of the project management team, we categorized these two stakeholders with regard to potential for threat (harm potential) and potential for cooperation (help potential) (Savage et al., 1991).

The main supplier moved from being a Supportive stakeholder in the early days to being a Mixed Blessing later on. The supplier appeared to be a partner in the creation of common success, although its technical competence remained insufficient throughout the entire course of the project. Despite this positive attitude, and general success of the project, the late phases of the project were characterized by heavy contractual discussions between the two parties (these mostly took place at the top management level).

The project owner represented a Mixed Blessing in the first two analyzed

periods of time; as the project went well and the relationship matured, he grew to be a Supportive stakeholder.

The description shows that the dimensions, potential for threat (i.e., harm potential), and potential for cooperation (i.e., help potential) are useful to facilitate communication about stakeholder interactions. As we see it, however, it is very important to apply a dynamic perspective (especially in long-term projects) when these dimensions are used. The project management team's perception of the changing actions and expressions indicate that both stakeholders changed their position over time. It was partly due to actions (planned and emergent) undertaken by the project management team. It was also partly due to difficulties in delivering their contributions (as it became easier, both stakeholders increased their help potential) and partly due to other stakeholders' changed positions (which could especially be seen in the case of the project owner because this stakeholder was clearly influenced by other powerful stakeholders being positive toward the project).

Further, we suggest a more fine-grained analysis because we saw big differences in the attitudes within the same type of stakeholder position (e.g., the project owner was classified as a Mixed Blessing stakeholder in both T1 and T2). But the attitude toward the project and the project management team was much more positive in T2 than in T1, which had implications for the stakeholder management strategy applied by the project management team.

Also interesting to note is Savage et al. (1991) indicate that, in most cases, typically, Supportive stakeholders are the board of trustees, managers, staff employees, the parent company, and suppliers. For the project analyzed here, both the project owner and the main supplier were Mixed Blessing stakeholders over an extensive period of time. In both relationships, the project management team seemed to handle this situation through an involvement strategy—as proposed by Savage et al. (1991)—and more frequent communication (including aspects of storytelling). In both cases, the project management team worked to increase the competence of the stakeholders, enabling them to perform more competently (technical control for the supplier and decision making for the project owner). However, in both cases, efforts were also made to hold the other on a distance through troublesome times. In the supplier relationship this was done with reference to the contracts; in the project owner relationship it was done by taking on the deliberation work and suggesting what would be the better decision alternative. Applying the framework of Savage et al. (2010), these practices represent both integrative strategies and distributive strategies simultaneously.

Stakeholder Relationships and Trust

In an earlier section, we indicated that trust is about the willingness to be vulnerable. Starting out, the project owner did not seem to be very willing to expose himself to this vulnerability. According to the project manager, he had limited interest and belief in the project; as the project progressed well, the risk of failure decreased.

The supplier was, from day one, willing to be vulnerable. It was a large contract and an interesting project with a high public profile. The willingness to be vulnerable can be seen as a social investment for both parties. Both the supplier and the project management team were willing to be vulnerable in our case; still, they also worked to secure their own interests (through the front-end contractual work as well as contract-related actions during the project course). The empirical material shows, however, that a strong interest in joint success developed over time. "Even if trust started as a mutual self-interest (. . .), as trust develops and confidence builds a switch occurs from primarily self-interest to having a greater social orientation (Lyons & Mehta, 1997)—looking to the other party in the future relationship" (Smyth et al., 2010, p. 121, referring to Baier, 1994, and Smyth, 2008). In this case, enacting the vulnerability paid off because they managed to successfully deliver the project and receive positive attention.

The analyses show how the project management team also engaged in knowledge work (integrating and developing knowledge) with both the supplier and the project owner in order to reduce their harm potential. This joint knowledge work seemed to strengthen the role based trust in both stakeholder relationships.

Looking at the project management team–supplier relationship, at T1 there was role based trust. As the supplier displayed less technical competence than the project management team expected, the trust eroded. Doubts became dominant; yet, this did not have severe consequences because the supplier managed to show social competence. It handled the situation well and gradually faith was installed. It has been argued (by Smyth et al., 2010) that social competence appears to be stronger than technical competence in enabling trust to mature. Socially oriented behavior that focuses on the needs of the project signals a strong commitment. This emerging commitment was seen in our analyses. It has also been indicated (by Smyth et al., 2010) that the lack of technical competence over time destroys collaborative relationships, and that long-term relationships depend on both technical and social competence. The project management team actively seemed to work to increase the trustworthiness of both the supplier and the project owner by increasing their knowledge. The project management team seemed to assume that if it could contribute to increasing the knowledge level of the others, it could greatly rely on these in the future. In both relationships, the trust became thicker from T1 to T3. Quite thick trust developed in the relationship with the supplier; still, the project management team seemed to keep an eye on both the supplier and the project owner

throughout the project. What was also clear was that the change of contextual conditions was important, particularly the progress of project performance and expected failure, and the expected success influenced stakeholder relationships and behaviors.

In the analysis, we have analyzed dyadic relationships of the project management team with the two stakeholders; however, more analyses would have been relevant as well. It appears very clearly that the senior management of the focal organization puts pressure on the supplier because of the high attention of politicians and the media to the project. The supplier was most likely also affected by the indirect pressure from politicians and the media. An interesting analysis would be to consider how other stakeholders (politicians, media, and citizens, such as the railway users) put pressure on both organizations; however, this is out of the scope for this article.

Conclusions, Reflections, and Future Research

This article contributes by offering examples on how stakeholder management is practiced. The practices are interpreted by mainly using the frameworks of Savage et al. (1991) and Savage et al. (2010) on stakeholder management strategies and the framework of Koskinen and Pihlanto (2007) on trust types.

By analyzing interactions between the project management team and two key stakeholders, the main supplier and the project owner, we provided thick descriptions of how a project management team of a complex development project directed its activities toward the two stakeholders in order to make them contribute sufficiently to the project and not undertake adverse actions. The analysis revealed how each stakeholder's ability to harm and help the project changed over time and that the project management team had to balance between planned interaction activities and emergent action patterns in order to cope with these changes. The analyses indicate that these dimensions are useful for understanding how project management teams do stakeholder management and how practices emerge as stakeholders respond to the actions undertaken by the project management team. As the analyses show, these dimensions need to be applied in a flexible manner, because the positioning of the stakeholder changes over time; this changes the actions undertaken by the project management team, which, again, influences stakeholder responses and so on and so forth.

The analyses also show how different forms of trust evolved in the relationships, also demonstrating the importance of relating trust to stakeholder management. Complex task solving is increasingly conducted in multi-actor projects. Due to the uncertainty and complexity of the task, the multitude of entwined organizational structures and interpretive repertoires being present in multi-actor projects, it is impossible to gain all the knowledge required and interpret it adequately. Lack of certain knowledge accentuates the need for building trust. Project processes are unclear due to several factors. Some knowledge is tacit (Polanyi, 1966), in the sense that some aspects and features that matter a great deal to both the project and the stakeholders cannot (easily) be expressed. There is experimental equivocality, where dual realities exist side by side. Each actor (stakeholders and project management teams) will interpret information due to their own construction of the reality. There is also a general systemic complexity we have difficulties seeing, because we tend to narrow down our approaches to the interested parties, to the exclusion of the wider context (Kreiner, 1995); therefore, processes are always blurred and we always lack the knowledge we need in practicing stakeholder management. Incorporating more considerations related to the development of trust may make stakeholder management practicing more relevant. A question for future research could be: How are stakeholder management strategies and practices enabling the development of an adequate type of trust and sufficient level of trust under various conditions? Further, it would be interesting not only to differentiate between the project management team and its base organization, as we have done in this article, but also more clearly between the project management team at the supplier's organization and their base organization.

A limitation in this research is that the interactions were only seen and interpreted from the perspective of the project management team, as there was very limited data material collected directly on the stakeholders and taking their perspectives. Still, our analyses show how stakeholder management is an emergent practice, which draws partly on more general strategies for stakeholder management.

Acknowledging that stakeholder management is an entangled process, we propose that the understanding of stakeholder management practices could be advanced by applying a process theoretical lens (for example, as provided by Weick, 1979, 1995; Tsoukas & Chia, 2002; Czarniawska, 2004; Hernes, 2008). The main contribution would be shifting the lens from stability to fluidity in the investigation of stakeholder management, looking for nested processes consisting of a multitude of entities that co-evolve. If the collisions of stakeholders are seen as fluid, it becomes obvious that actions need to be taken to stabilize these coalitions. The relevance of the actions undertaken becomes obvious in light of the responses they create by the other parties taking part in the process. The strategy emerges as the project management team acts to stabilize coalitions and the stakeholders respond to these actions—over and over again throughout the project processes. In other words, it means a clearer emphasis on how actions, and the interpretations of actions, become the basis for further actions and interpretations as well as the potential project outcome.

We claim that taking the fluidity stance helps us remember the true meaning of the word *potential (potential of harm and help, as well as the potential project outcome).* To have a potential is being capable of becoming something that is not yet in existence. This potential is negotiated in the interactions of stakeholders and projects, technologies, and competences.

The projects themselves, as well as the stakeholders, enact characteristics as they try to affect each other (Weick, 1979, 1995). The stakeholders and project management teams that will succeed are those who manage to translate meaning and systems of knowledge embedded in the social context into specific practices and structures that create trust. Up until now, stakeholder management in the project context has not been seen in a sufficient manner as a dynamic and on-going process. To further our understanding of these practices and their effects, the following questions need to be raised: (1): Who are the actors and what are the elements making up these practices and how do they connect and co-evolve? And (2): What are the means applied for managing stakeholders? In order to illuminate these questions, there is a need to study stakeholder practices over time, in other words, performing longitudinal studies. We took a first step along this road—and hope that our work can encourage other researchers to walk with us!

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