

School of Engineering

Project Management & Engineering Practice
(GENG 5505)

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Project Management & Engineering Practice (GENG5505)

Stakeholder management: Strategies for continuous engagement
(Ch 3)

(Week 2b) - Lecture four, 01 August 2024

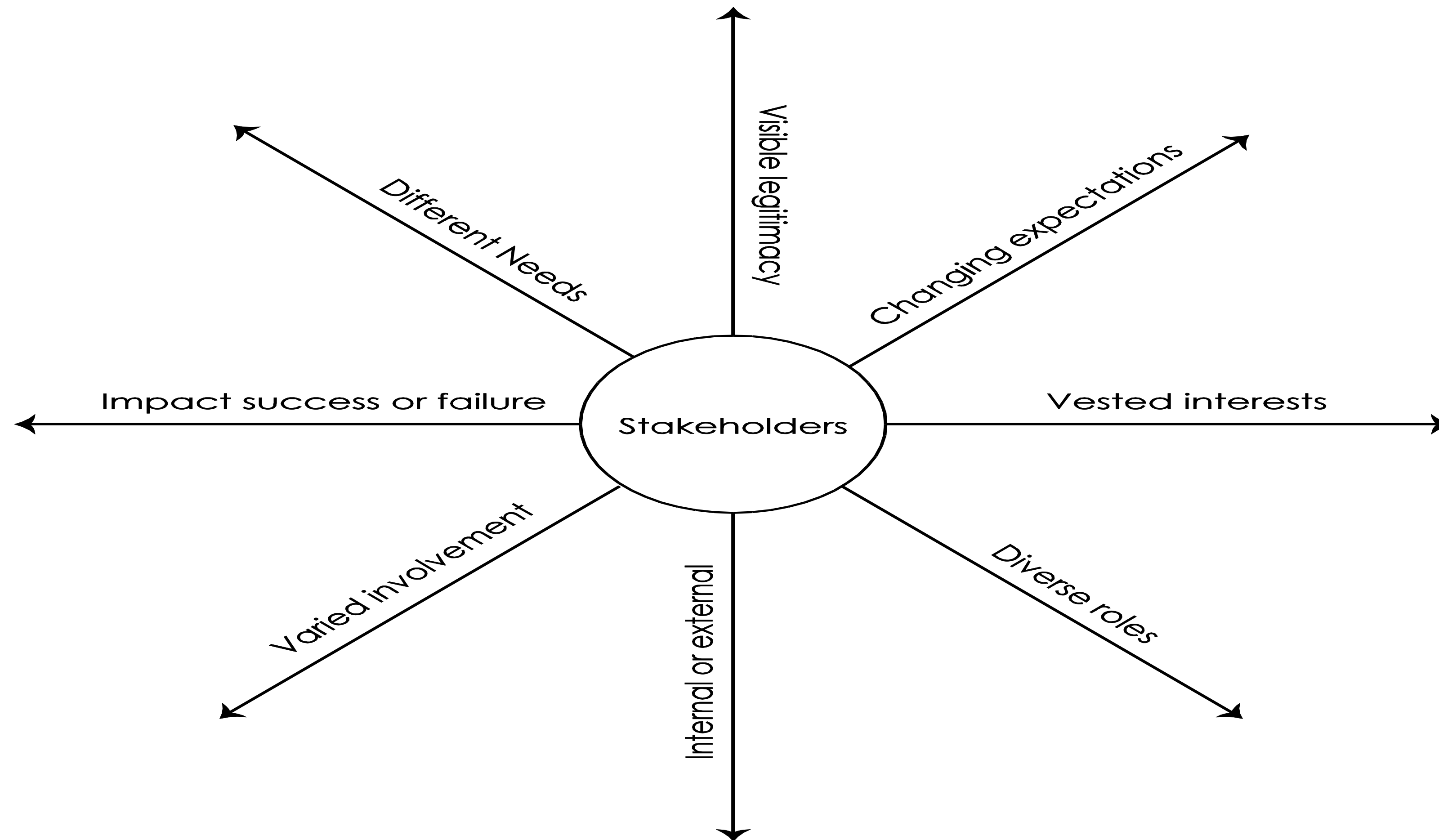
Defining (project) governance (from chapter 2)

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

Delivering on (governance) expectations and benefits

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

The challenge of stakeholder management



Project stakeholders

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

The stakeholder mix

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

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

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

Steering group

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

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

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

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

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

Plan stakeholder management

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

RACI framework

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

PARIS framework

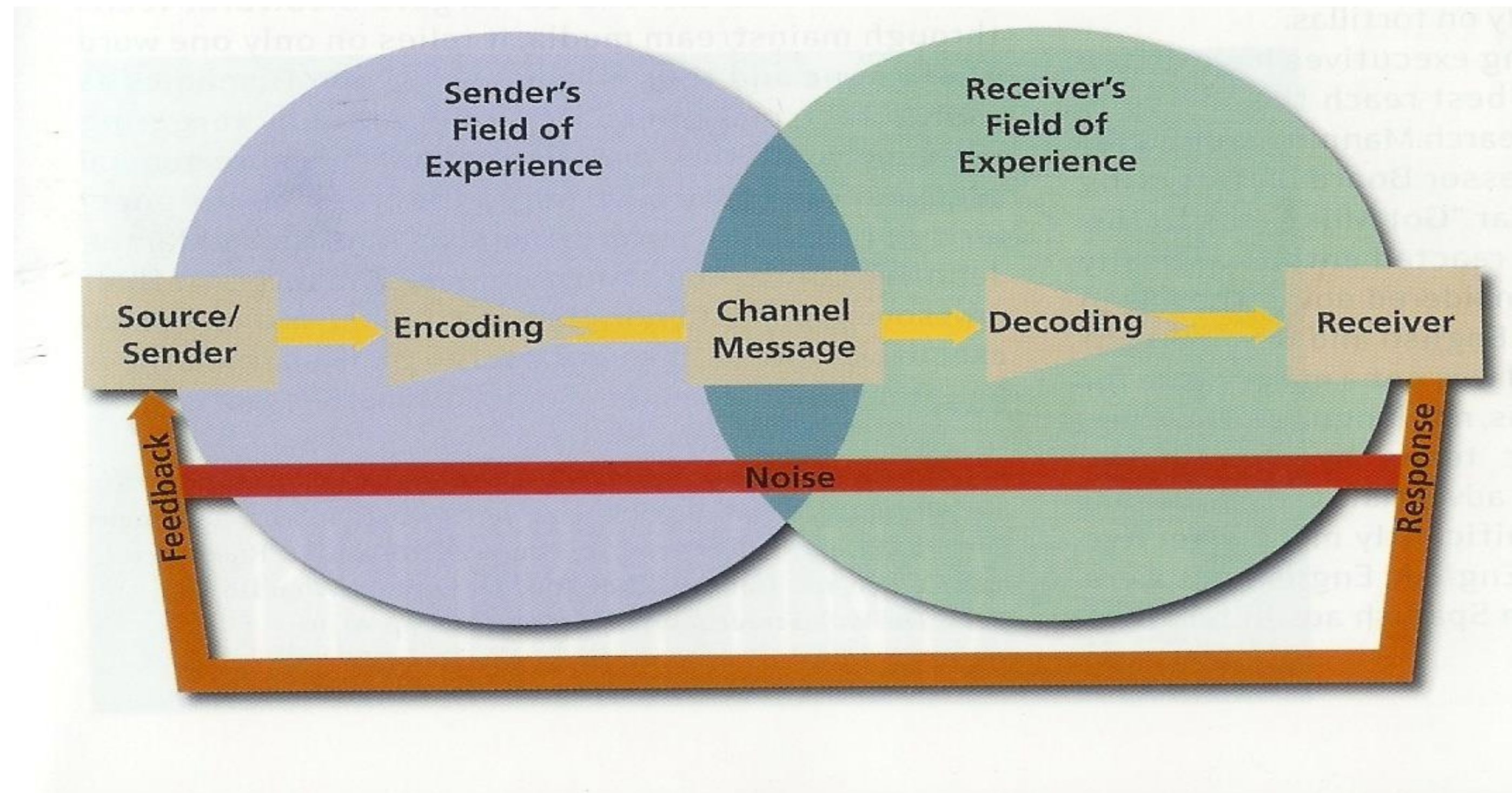
- Participate (nominate the stakeholder charged with doing the required activities);
- Approve (nominate the stakeholder who needs to approve all decisions);
- Responsible (nominate the stakeholder charged with doing the required activities);
- Inform (nominate the stakeholder who needs to be kept informed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

Managing the stakeholders: Example of implementing a stakeholder management matrix

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

Communicating effectively with project stakeholders: The Communication Process Model

Source: Belch & Belch, 2004



Response strategies to stakeholder pressures in global projects

(Aaltoneen et al., 2009)

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

Differentiating managers & leaders

- Managers:
 - Achieve results with & through others (plan, lead, organize & control)

- Leaders
 - Get people to do things willingly that they otherwise would not do

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

Separating management & leadership

What managers do:

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

- Innovate & create ideas
- Develops
- Trust
- People
- Horizon
- Challenges
- Long term
- Interpersonal skills
- The right thing
- Involve
- Encourage decision making
- Support
- Us together
- Cooperation
- Mentor
- Lead
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Readings week 2

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