Stakeholder Management Pty Ltd

Construction Stakeholder Management

Blackwell Publishing, London.

Editor: Chinyio E.

This is a preview of Chapter 7 of the book Construction Stakeholder Management. The chapter has been authored by Dr. Lynda Bourne and Patrick Weaver. It remains copyright protected and is made available for you to use to review the book and evaluate whether you will recommend it to others to purchase. The idea is to get the text out to people who would appreciate a 'sneak pre-view' of this interesting work. We trust that you will respect the spirit in which this material is made available to you and we hope that it will be of interest to you and stimulate you to consider it as a recommended text and source of useful project management practitioner continued professional development material.

Chapter 7 – Mapping Stakeholders

Introduction

The objective of every stakeholder mapping process is to develop a useful list of stakeholders, assess some of their key characteristics and present these assessments in a way that helps the project team develop insight and understanding to support their implementation of planned stakeholder management initiatives. The key element of an effective mapping process is as far as possible to replace subjectivity with objective measures and to make the assessment process transparent. This transparency will allow the basis of any assessment to be clearly understood by others and will facilitate review and updating as appropriate.

The challenge with stakeholder mapping is that the elements being assessed, such as the level of a stakeholder's support, are driven firstly by the perceptions of the project held by the stakeholder and secondly the perceptions of the stakeholder's attitudes held by the people undertaking the mapping process. These factors are influenced by the 'hardwiring' in each person's mind and because of this two people can have completely different 'views' of the same situation.

The brain hardwires everything it possibly can, and defines ways to store data and retrieve it that best suit the history and personality of an individual (Rock, 2006). Because our brain must, consciously or unconsciously, manage all and every stimulation it receives, it will attempt to automate as much as possible. Therefore it is important when presenting information to consider ways to assist the brain to process the stimulation, and be consciously aware of important and/or new information. Presenting data in graphical or pictorial form will help the audience map connections more readily: the brain processes ideas fastest visually (Rock, 2006:90).

People learn and also retain information by using the thinking mode they are most comfortable with in the first instance, whether visual, auditory or kinaesthetic. Other studies have shown that everybody learns best and also retains information longer when offered the data in more than one mode: for example, people will learn better by listening and seeing, and even better by listening, seeing and doing (Glasser, 1998). Therefore the complex data collected about stakeholders will be most easily understood when presented in several complementary forms; graphical or pictorial views supported by tabulations and/or sorted lists.

This chapter will firstly discuss the importance of mapping stakeholders; this discussion will be followed by a review of mapping methods and techniques used today. The next section will describe a specific mapping method and technique, the ***Stakeholder** Circle*® that provides guidance to knowing who the right stakeholders are for any time in the project, providing the information needed for developing strategies for targeted communication. A final step of the methodology supports monitoring the effectiveness of the communication.

A Picture tells a thousand words

Researchers or reporters must develop ways to present data they have collected. Organising the data allows researchers to categorise and review the information they have collected to gain valuable insights. Different methods of representation may allow researchers or others to recognise patterns that support comparison or contrast of this data to known data, or may simply allow others to absorb or make sense of the data more easily. In the world of construction projects the most effective presentation of the data will be graphical or pictorial.

The Evolution of Stakeholder Mapping

Chapter 3 has discussed the history of stakeholder management and the introduction to this chapter has highlighted the importance of visualising complex data to aid understanding. One of the consequences of the emerging understanding of 'stakeholders' through the 1980s and 1990s, was the need for business managers and researchers to be able to visualise the stakeholder community surrounding their particular business unit or project. Consequently, the concept of representing data collected about stakeholders as maps - tabular, graphical or pictorial - has been adopted by researchers and consultants from the earliest studies. We suggest that there are three basic approaches used to help visualise, map and understand stakeholders: customer relationship management – CRM; influence and social networks and techniques for listing and mapping stakeholders.

The approach with the highest profile in general business is the customer relationship management or CRM approach. This approach requires substantial data sets to be gathered about a key segment of the business' stakeholder community (typically customers) followed by the use of data mining techniques that allow trends and opportunities to be identified, graphed and communicated. These reports inform management decision making and help the business prosper. CRM works effectively in situations where the business is relatively stable and there is a large class of stakeholders interacting with the business in a reasonably consistent way: its focus is

to build and maintain a customer-centred enterprise cost-effectively, and generate a good ROI (Bligh, 2004). CRM has little application to the construction industry due to the individual significance of most stakeholders and the relatively low levels of repeat business from customers, eg most families will buy a new house once or twice in a lifetime but will visit their local supermarket once or twice every week.

A second approach that cannot be ignored is the extensive body of work focusing on influence networks. This research focuses on the importance of relationships through the study of 'influence networks', 'social networks', 'social capital', viewing projects as temporary knowledge organisations - TKOs (Sbarcea and Martins, 2003) and more recently the idea of Complex Responsive Processes of Relating - CRPR, (Weaver, 2007). All of these theories emphasise the critical importance of the relationships between different stakeholders both within and around the project team. The strength and effectiveness of the internal relationships enable the project team to function effectively and allows the team (or the project) to interact and influence its surrounding stakeholder community. The difficulty in using these strands of research lies in building the influence/relationship maps; the work is difficult, time consuming and invasive requiring extensive interviews with the stakeholders. Consequently whilst an appreciation of these ideas is critical for effective stakeholder management, the opportunities to undertake a detailed analysis of a particular stakeholder community are very limited and typically only occur as part of an academic research assignment.

The need for a practical, useable approach to visualising many different stakeholder communities has led to the development of a range of listing and mapping techniques by academics, consultants and businesses over the years. These approaches trade the richness of data available under the CRM approach for a holistic view of the whole stakeholder community and largely ignore the complex network of relationships considered in CRPR and the other network theories outlined above for a simpler consideration of 'importance' in some form. Obviously the importance of a stakeholder is directly associated with his or her ability to influence the project through their network of relationships. The difference in the analysis is in the way this is assessed. All of the mapping techniques discussed below use a qualitative perception of a stakeholder's importance rather than a quantitative analysis of the influence networks and relationships surrounding the stakeholder to determine an absolute value for that person's importance.

The following list identifies some of the best known and most commonly used methods for stakeholder mapping.

- (Mitchell, Agle and Wood, 1997) proposed a classification of stakeholders based on power to influence, the legitimacy of each stakeholder's relationship with the organisation, and the urgency of the stakeholder's claim on the organisation. The results of this classification may assess the fundamental question of "which groups are stakeholders deserving or requiring manager's attention, and which are not?" This is salience - "the degree to which managers give priority to competing stakeholder claims" (Mitchell, Agle et al., 1997:854)
- (Fletcher, Guthrie, Steane, Roos and Pike, 2003) define a process for mapping stakeholder expectations based on value hierarchies and Key Performance Areas (KPA),

- (Savage, Nix, Whitehead and Blair, 1991) offer a way to classify stakeholders according to potential for threat and potential for cooperation.
- (Turner, Kristoffer and Thurloway, 2002) have developed a process of identification, assessment of awareness, support, influence leading to strategies for communication and assessing stakeholder satisfaction, and who is aware or ignorant and whether their attitude is supportive or opposing.

Mapping techniques include the following sub-set of results from a Web search of analysis techniques being used by aid agencies, governments or consultant groups:

- Influence-interest grid (Imperial College London, 2007)
- Power-impact grid (Office of Government Commerce, UK 2003)
- Three techniques used by the Australian (Department of Sustainable Environment, 2007)
    - Influence-importance grid
    - Venn diagrams
    - CLIP analysis (Collaboration/conflict, Legitimacy, Influence and Power
- Power-interest grid (Moorhouse Consulting, 2007)
- Three-dimensional grouping of power, interest and attitude (Murray-Webster and Simon, 2007)

The first step in building any stakeholder map is to develop a categorised list of the members of the stakeholder community. Once the list is reasonably complete it is then possible to assign priorities in some way, and then to translate the 'highest priority' stakeholders into a table or a picture. The potential list of stakeholders for any project will always exceed both the time available for analysis and the capability of the mapping tool to sensibly display the results, The challenge is to focus on the *right* stakeholders who are currently important and to use the tool to visualise this critical sub-set of the total community.

The most common presentation styles use a matrix to represent two dimensions of interest, with sometimes a third dimension shown by the colour or size of the symbol representing the individual stakeholders. This is summarised in Figure 7.1.

Some of the commonly used dimensions include:

- Power (high medium low)
- Support (positive, neutral, negative)
- Influence (high or low)
- Interest (high or low)
- Attitude (supportive or obstructive)

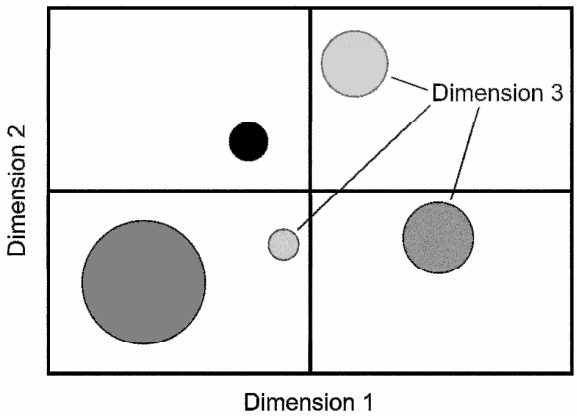


Figure 7.1: traditional stakeholder mapping

Where used, the methods of gathering and recording data for stakeholder maps such as these tend to be subjective, with results usually derived from open questions that allow subjective and inconsistent responses.

In many cases, the person preparing the map simply draws symbols in the map based on their personal assessment.

Many of the proprietary methods also indulge in terminology for categories in these maps that may be amusing or interesting expressions of the nature of the categorised stakeholders, but not always acceptable business terminology. Reporting to a senior manager that they have been categorised as 'dangerous', a 'time bomb', 'demanding' or a 'trip wire' is unlikely to be helpful! Using such terminology may add an element of 'fun' for team members, but it involves an extra learning challenge and does not add significantly to the effectiveness of the methodology.

The need for simplicity and flexibility in data gathering and reporting should be reflected in developing guided steps through a series of processes that can be cumulative or can be approached in parts, depending on the needs and maturity of the organisation. Consistency can be achieved through a system of ratings against a consistent set of statements rather than reliance on subjective and variable answers to open questions.

The ***Stakeholder** Circle*® provides a methodology and a mapping technique to represent data about stakeholders in consistent, staged and guided steps, providing stakeholder data in tables, graphs and pictures. The ***Stakeholder** Circle*® methodology consists of 5 steps: identify all stakeholders; prioritise them; show who are currently key members of the stakeholder community; develop an engagement strategy and communication plan; monitor the effectiveness of the communication. Figure 7.2 shows an overview of the five steps of the methodology.

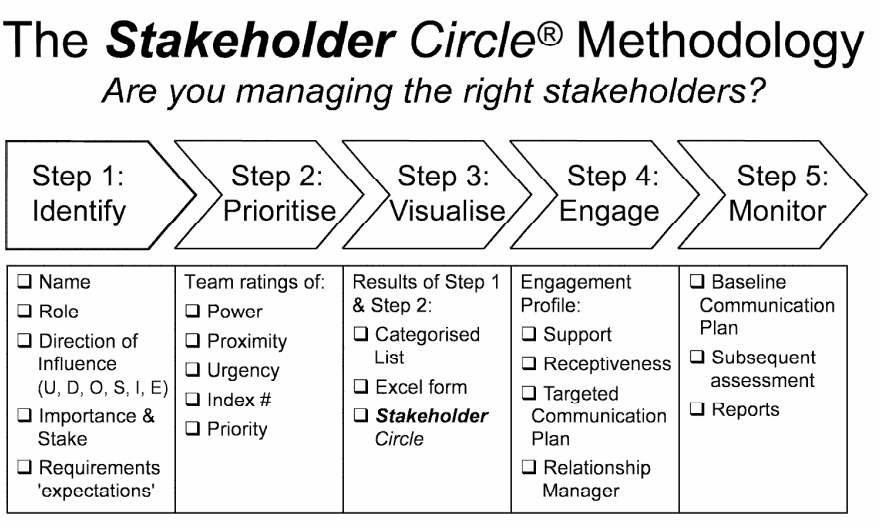


Figure 7.2: summary of the SHC methodology

The Stakeholder Circle® Methodology

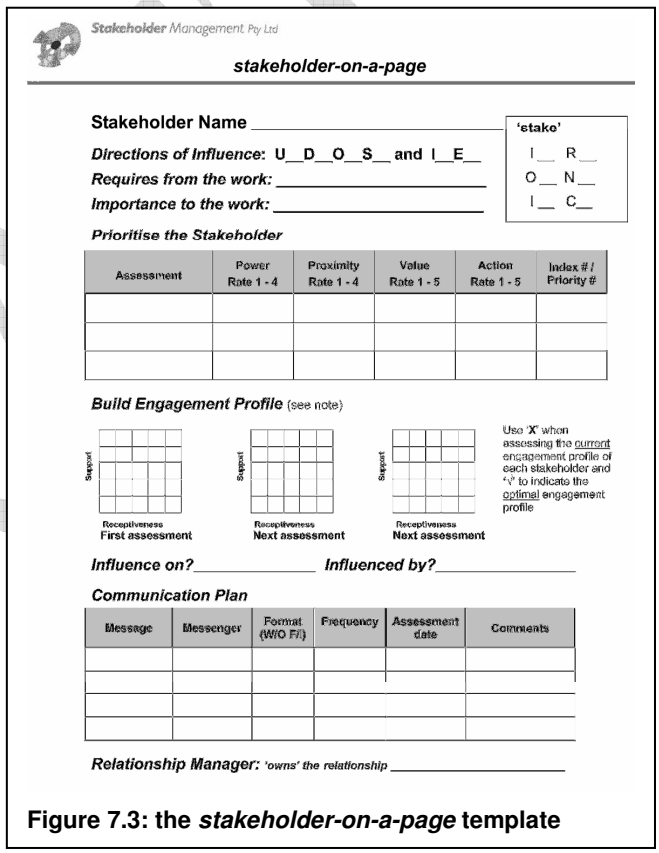
The ***Stakeholder** Circle*® is a stakeholder management methodology supported by a visualisation tool that profiles a project's key stakeholder community. It is based on the premise that a project can only exist with the informed consent of its stakeholder

community, and that managing the relationships between the community and the project will increase the chances of project success.

The ***Stakeholder** Circle*® methodology provides a means for the project team to identify and prioritise a project's key stakeholders, and then to develop an appropriate engagement strategy and targeted communication plan[1] to ensure that the needs and expectations of these key stakeholders are understood and managed. The visualisation tool charts a project's key stakeholders according to their ability to influence the project's success or failure. Categorisation and mapping of key stakeholders holds the key to targeting the *right* stakeholders at the *right* time in the life of the project and additional mapping of stakeholder support and receptiveness to messages about the project provides the project team with the key to the *right* level of engagement, information and communication.

Gathering data about each stakeholder

The output from each of the steps of the ***Stakeholder** Circle*® methodology builds information that is essential for designing effective, targeted communication. There are a number of ways to accumulate this information. The first is the use of the *stakeholder-on-a-page*™, a Word document that can either be used in soft copy or hard copy to gather information about each stakeholder. Figure 7.3 shows the template. The second approach is the use of a ***Stakeholder** Circle*® software tool, either a database that supports all steps of the methodology and stores and presents the data as graphic and tabular reports[2] or a simpler spreadsheet that focuses on key elements of the overall methodology. Figure 7.4 shows the area on the *stakeholder-on-a-page*™ template for collection of information from ***Step 1*** discussed below.


Stakeholder Management Pty Ltd

stakeholder-on-a-page

Stakeholder Name _____

'etako'
I__ R__
O__ N__
I__ C__

Directions of Influence: U__D__O__S__ and I__E__

Requires from the work: _____

Importance to the work: _____

Prioritise the Stakeholder

Assessment	Power Rate 1 - 4	Proximity Rate 1 - 4	Value Rate 1 - 5	Action Rate 1 - 5	Index # / Priority #

Build Engagement Profile (see note)

Support / Receptiveness
First assessment

Support / Receptiveness
Next assessment

Support / Receptiveness
Next assessment

Use 'X' when assessing the current engagement profile of each stakeholder and '√' to indicate the optimal engagement profile

Influence on? _____ ***Influenced by?*** _____

Communication Plan

Message	Messenger	Format (W/O F/)	Frequency	Assessment date	Comments

Relationship Manager: *'owns' the relationship* _____

Figure 7.3: the *stakeholder-on-a-page* template

[1] The data gathered through the steps of the methodology support the development of communications design to address the information needs of the stakeholder and the support needs of the project.

[2] For more information on the ***Stakeholder** Circle*® go to www.stakeholder-management.com

How to identify your stakeholders

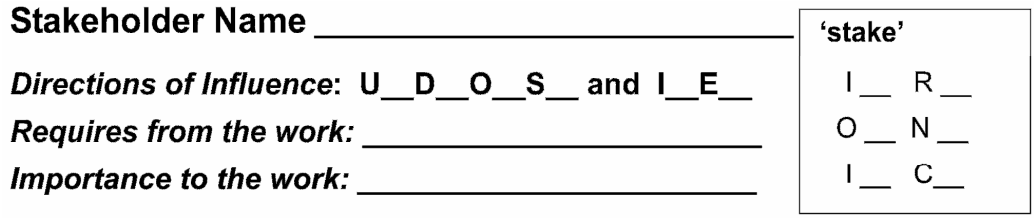


Figure 7.4: the identification section from the *stakeholder-on-a-page* template

In the methodology, ***Step 1: identify*** consists of three activities:

1. Develop a list of stakeholders with the test of: "which individuals or groups are impacted by the project, or can impact the project";
2. Identify the two aspects of the relationship between the project and its stakeholders - how is each stakeholder important to the project, and what does he/she expect from success (or failure) of the project. This is 'mutuality' - key data for understanding and managing stakeholder expectations (and therefore manage their perceptions of success or failure of the project);
3. Begin the categorisation process by documenting each stakeholder's *directions of influence*: *upwards, downwards, outwards, sidewards, internal* and *external*: this data is important for developing targeted communication. These categories will be described later in this Chapter.

Develop the stakeholder list

Developing the stakeholder list requires two actions; the first action is to select a team[3] for identification and analysis of the stakeholder community. This team will ideally consist of 3 to 5 members, including the project manager, some core team members and someone who understands the power structures and politics of the organisation[4]. The team, which may be considered as a sub-set of the project team, should be formed as early as possible in the project lifecycle, where practical, before the planning phase.[5] If possible, membership of this team should remain constant over the entire life of the project. Maintaining consistency within the team will provide some assurance of reduced subjectivity in decisions made about the stakeholder community and its membership throughout the lifecycle of the project. An additional benefit to using teams for identification of stakeholders is the sharing of the knowledge that each team member has about certain stakeholders. This process of team decision-making will ensure that every member of that team has learned something more about the project's stakeholders.

Developing the stakeholder list is then simply the collection of the names of those individuals and groups who can impact or are impacted by, the project's work or its

---

[3] Data collected by the authors through a classroom exercise comparing the efficiency of team and individuals in decision making included in their *Successful Stakeholder Management* workshops, shows that of approximately 500 participants, only 6 individuals scored better than their team.

[4] The sponsor of the project would be a valuable team member for this exercise.

[5] Ideally the selection of these team members should be the responsibility of the Sponsor or a senior manager representing the performing organisation. Selection and management of this team as a joint activity of the client PM and prime contractor's PM is also effective.

outcomes. This is most often achieved through a brainstorming process, where members of the team contribute names which are later categorised according to their importance to the project, what they require from success or failure of the project and their influence on the project. As with any important project data gathering activity, it is essential to circulate this data for review by other individuals who have knowledge of the project and the organisations involved to ensure the list is as accurate as possible.

Identify mutuality

Each name on the list resulting from the brainstorming exercise must be tested by applying two questions:

- "How is this stakeholder important? What is their 'stake'?"
- "What does this stakeholder require from the success or failure of the project?"

The '**stake**': can be one of the examples below or a combination:	
Interest:	**A person or group of persons is affected by a decision related to the work or its outcomes:** • Street closures for a car racing event • Temporary closure of a supermarket for renovation

Rights:	**To be treated in a certain way or to have a particular right protected:**
	• **Legal right:**
	  ○ Occupational Health and Safety
	  ○ Privacy
	• **Moral right:**
	  ○ Heritage protection activists
	  ○ Environmentalists

Ownership:	**A circumstance when a person or group of persons has a legal title to an asset or a property:** • Resumption of property for road works • Intellectual property • Shareholders' 'ownership' in an organisation
k**N**owledge:	**Specialist knowledge or organisational knowledge**

Impact or influence:	• **Impacted by the work or its outcomes:**
	  ○ Staff, Customers
	  ○ Shareholders
	• **Impact (or influence) on the work or its outcomes:**
	  ○ Sponsor
	  ○ Governments (legislation, regulation)
	  ○ Public

Contribution:	• **Supply of resources** ○ People, material • **Allocation of funding** • **Advocacy for objectives or work success** • **Buffer** between organisation and work teams or the performance of the work

Figure 7.5: a stakeholder's 'stake' - IRONIC

The answer to the first question establishes that this person or group is actually a stakeholder and what their potential contribution to the project's success (or failure)

may be. Generally, a stakeholder is important to the project because he (or she) is a source of funds, personnel or materials, or can impact the success or failure of the project through either action or inaction. If there is some doubt about whether an individual or group is a stakeholder, it is possible to analyse the definition of stakeholder further into six subcategories: Interest, Rights, Ownership, Knowledge, Impact or Influence, and Contribution. Figure 7.5 summarises definitions of each of these subcategories.

The answer to the second question establishes the stakeholder's expectations or requirements from the success or failure of the project. Generally a stakeholder will have expectations of either personal gain, or expectations of organisational gain, through either the success or failure of the project. Personal gain may be enhanced power or reputation or even career or monetary improvement; organisational gain may be enhanced power or reputation for the organisation as a whole or for a department or group within the organisation.

Understanding the stakeholder's stake and expectations is crucial to all subsequent steps in the stakeholder mapping process and to developing targeted communication strategies. It is never appropriate to guess or make assumptions about a stakeholder's expectations; if there is some doubt about the accuracy of information collected, other sources of information should be referenced. The stakeholder could be asked about what he or she requires from the project[6], a survey could be conducted[7], or others could be asked about the expectations of this stakeholder[8]. Other important sources of information can be Key Performance Indicators (KPIs), or other documentation that outlines responsibilities and objectives of stakeholders who have organisational management responsibilities.

Directions of influence

The final activity in ***Step 1: identify***, is to categorise the listed stakeholders according to their direction of influence to, or from, the project manager. This categorisation adds another dimension to the data the project uses to effectively manage the relationships with their stakeholders. It is also essential as a contribution to data needed for targeted communication with a project's stakeholders.

There are two elements to consider:

- Is the direction of influence of the stakeholder *upwards, downwards, outwards* or *sidewards*?
- Is the stakeholder part of the organisation or outside it: *internal* to the organisation or *external* to the organisation?

---

6 This action could have positive or negative results: positive if the stakeholder is pleased to be actually consulted – and this may lead to a higher commitment from the stakeholder. A negative result may occur when the stakeholder does not give a completely honest answer – he or she may just want to give the team a 'good news' answer, or may just want to be non-confrontational. It is always a useful policy to attempt to get answers to these questions from at least two sources.

7 An expectations survey could legitimately be conducted as the starting point to a customer satisfaction survey planned as part of project closing activities.

8 Supportive stakeholders can be a good source of information about other stakeholders.

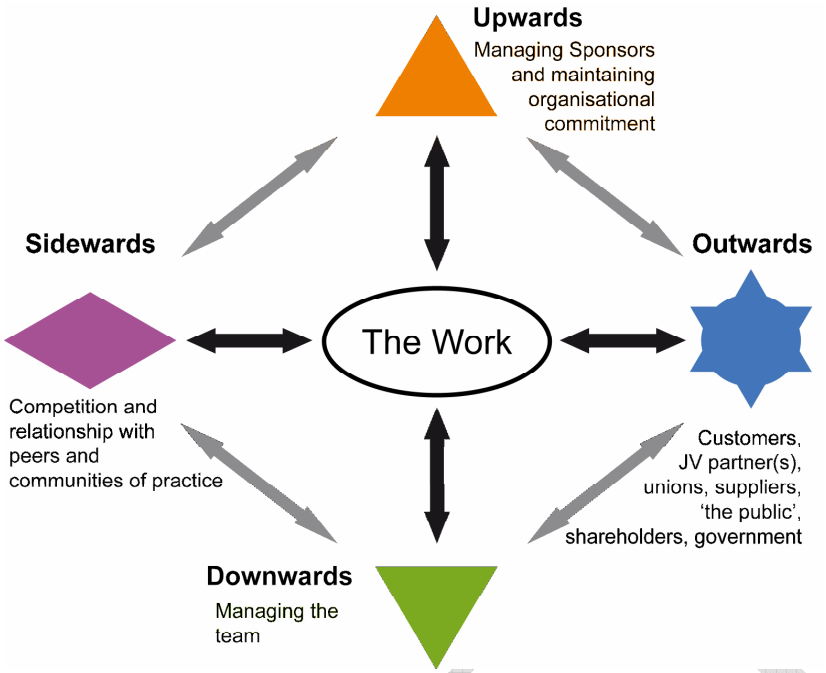


Figure 7.6: the primary directions of influence

Figure 7.6 shows the first set of directions of influence on the project work, and defines the four directions around the project. *Upwards* defines the influence that senior management, especially the sponsor, exert over the project. It is shown in the ***Stakeholder*** *Circle*® colour mapping as orange. *Downwards* denotes team members, whether full-time staff, consultants, contractors or specialists who work with the project manager to achieve project objectives: teams are shown as green. *Outwards* stakeholders are those outside the project and will include individuals and groups such as: end users, Government, regulators, the public, shareholders and lobby groups: outwards stakeholders are shown as blue. Finally *sidewards* stakeholders are peers of the project manager such as other project managers, industry groups and managers within the organisation who are considered to be at the same level professionally: sidewards is shown as purple. While adding colour to the depiction of the stakeholder community can add an additional depth of perception, the direction of influence can also be recorded simply as: U for *upwards*, D for *downwards*, O for *outwards*, and S for *sidewards*.

Directions of influence	Stakeholders (areas of interest)
Upwards	Senior management: project sponsor, senior executives, those who represent organisational commitment
Downwards	Team members
Outwards	Outside the team: customers, JV partner(s), unions, suppliers, 'the public', shareholders, government.
Sidewards	Peers of the manager or the team
Internal	Stakeholders within the organisation
External	Stakeholders outside the organisation

Figure 7.7: summary of the stakeholder's directions of influence

Categorisations for *internal* and *external* in the ***Stakeholder** Circle*® software will cause the colours denoting the four directions to be light (for *external*) and dark (for *internal*). Otherwise these dimensions will be documented as E for *external* and I for *internal*. Figure 7.7 summarises all Directions of Influence.

The results of these three sets of activities will be a list of stakeholders, categorised according to their direction of influence on the project, with additional information collected about their importance to the project and their expectations of the project. This data is essential for the next step in the stakeholder mapping exercise – ***Step 2: prioritise***.

How to understand who is important

The results from ***Step 1: identify*** are the starting point for ***Step 2: prioritise***. For complex projects the unranked, unrefined, list can be quite large[9]. With large numbers of stakeholders, project teams will need to understand which of these stakeholders are more important *at this time in the project*. Some project managers and their teams may be able to do this instinctively, but others may not have the necessary experience or understanding. It is also important for long-running complex projects to develop a consistent approach to decisions about who is important at any time in the project life-cycle.

Ratings for Power & Proximity	
Power:	4. **High capacity to formally instruct change**: can have the work stopped 3. **Some capacity to formally instruct change**: must be consulted or has to approve 2. **Significant informal capacity to cause change**: a supplier with input to design 1. **Relatively low levels of power**: cannot generally cause much change
Proximity:	4. **Directly involved in the work**: team members working most of the time 3. **Routinely involved in the work**: part time team members, external suppliers and active sponsors 2. **Detached from the work** but has regular contact with, or input to, the work processes 1. **Relatively remote from the work**: does not have direct involvement with processes: clients and most senior managers

Figure 7.8: ratings for power and proximity

Step 2: prioritise in the ***Stakeholder** Circle*® methodology provides a system for rating and therefore ranking stakeholders according to their relative importance to the project at any time in the project. The ratings are based on three aspects:

- Power to 'kill' the project – *power*
- Closeness to the project – *proximity*
- *Urgency* – how important is this project to the stakeholder and how prepared are they to act to achieve their own outcomes (positive or negative). Urgency

[9] In working with organisations using the ***Stakeholder** Circle*® methodology and software for mapping and managing stakeholder relationships, the authors have assisted in projects that have over 300 stakeholders (both individuals and groups) identified in the first step.

of itself is difficult to rate consistently[10] and should be rated as a combination of *value* and *action*.

Ratings for Urgency	
Value: How much 'stake' does the person have in the work or its outcomes?	5. **Very high:** has great personal stake in the work's outcome (success / cancellation) 4. **High:** sees work's outcome as being important (benefit or threat) to self or organisation 3. **Medium:** has some direct stake in the outcome of the work 2. **Low:** is aware of work and has an indirect stake in work's outcome 1. **Very low:** has very limited or no stake in work's outcome
Action: A measure of the likelihood that the stakeholder will take action, positive or negative, to influence the work or its outcomes	5. **Very high:** self activated, will go to almost any length to influence the work 4. **High:** is likely to make a significant effort to influence the work 3. **Medium:** may be prepared to make an effort to influence the work 2. **Low:** has the potential to attempt to influence the work 1. **Very low:** is unlikely to attempt to influence the work

Figure 7.9: ratings for urgency – *value* and *action*

The team applies the knowledge they have gained through ***Step 1: identify***, matching this knowledge to the rating statements, from 1 - 4 for *power* and *proximity* (where 4 is the highest) and 1 - 5 for the two parts of *urgency*: *value* and *action* (where 5 is the highest rating). Figure 7.8 lists the ratings for *power* and *proximity*, and Figure 7.9 lists the ratings for *value* and *action*.

The index number

Prioritise the Stakeholder

Assessment	Power Rate 1 - 4	Proximity Rate 1 - 4	Value Rate 1 - 5	Action Rate 1 - 5	Index # / Priority #

Figure 7.10: the prioritisation section from the *stakeholder-on-a-page* template

An index number is calculated for each stakeholder from the four sets of ratings developed by the team. Calculations are inbuilt in the ***Stakeholder** Circle*® software; however, for a paper-based use of the methodology, the arithmetic addition of all four ratings will be sufficient. This emphasis on ratings for urgency will ensure visibility of stakeholders who may not be considered as important to the project (Mitchell, Agle et al., 1997; Bourne, 2005) [11]. After the index number is calculated, the list can be

[10] During the 12 months research in development of this methodology, it became evident that the concept of urgency was too multi-dimensional for consistency. Once the concept was devolved into two parts – *value* and *action* the ratings appeared to be applied consistently.

[11] By weighting *urgency* more highly than *power* or *proximity* the methodology helps team members identify less obvious, or less outspoken, stakeholders thus ensuring that 'surprises' are minimised.

sorted, with the stakeholder with the highest index number being rated as the most important, the second highest next most important, and so on. Figure 7.10 shows the section of the *stakeholder-on-a-page*™ that collects the data from ***Step 2: prioritise***. Once the index number has been obtained it is then possible to sort the pages into order from highest number to lowest, thus showing which stakeholders have more relative importance than others.

Revealing project stakeholders

Having identified and prioritised the project stakeholders, it is essential to show the stakeholder community in ways that can highlight who at that time in the project have been rated as the most important stakeholders to the success of the project. The stakeholder community can be shown as a ranked list, or a table summarising the data gathered as the result of use of the *stakeholder-on-a-page*™ (see Figure 7.11), or a power/impact or influence/impact as described earlier in this Chapter (Figure 7.1). However, from the perspective of maximum impact a graphical representation is most effective.

The ***Stakeholder** Circle*® tool develops a multidimensional map of the project's stakeholder community. Key elements of the ***Stakeholder** Circle*® are: concentric

Name	Project Role	Direction of Influence	Current Priority	Power	Proximity	Urgency	Index
G. Brown	Sponsor	U, I	**1**	4	3	4	11
F. Green	Designer team member (contract)	D, E	**2**	2	4	4	10
P. Jones	Architect	O, E	**12**	2	2	2	6
M. Smith	Builder CEO	U, E	**13**	2	1	2	5

Figure 7.11: sections of a typical ranked list of stakeholders sorted by priority

circle lines that indicate distance of stakeholders from the project or project delivery entity; the size of the block, its relative area, indicates the scale and scope of influence; and the radial depth can indicate the degree of power (Bourne, 2005; Bourne and Walker, 2005). This depiction of the stakeholder community represents the project's key stakeholders as assessed by the project team. In the ***Stakeholder** Circle*® shown in Figure 7.12, the most important stakeholder has been assessed as the sponsor: this stakeholder appears at the 12 o'clock position; followed by the project team as the second most important and the CEO as third most important.

Generally, those stakeholders with power in the project environment will be relatively easy to identify, but those with high levels of *urgency* may not be.

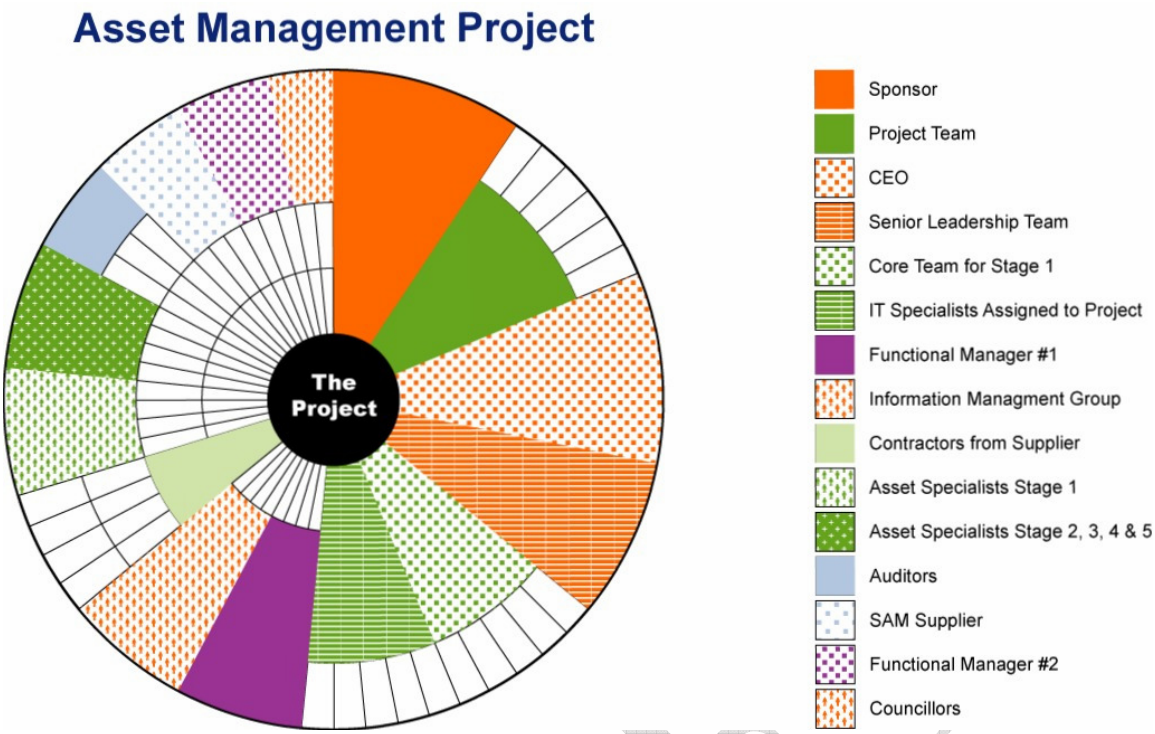


Figure 7.12: the *Stakeholder Circle*® software map of the stakeholder community

Patterns and colours of stakeholder entities (where used) indicate their influence on the project — for example, orange indicates an *upwards* direction – these stakeholders are senior managers within the performing organisation that are necessary for ongoing organisational commitment to the project; green indicates a *downwards* direction – these stakeholders are members of the project team; purple indicates a *sidewards* direction – peers of the project manager essential as collaborators or competitors; and blue indicates *outwards* – these stakeholders represent those outside the project such as end users, Government, 'the public', shareholders. The final colour coding is dark hues and patterns for stakeholders internal to the organisation and light hues and patterns for those external to the organisation. The ***Stakeholder** Circle*® visualisation of the project community will be different for each project and for each phase of the project – the relationships that visualisation shows will reflect the project's unique stakeholder community. For more information on using the ***Stakeholder** Circle*® visualisation tool for project analysis see Bourne (2005) and Walker, Bourne et al. (2008).

How to gauge support

Step 4: engage is centred on identifying engagement approaches tailored to the expectations and needs of the individuals or groups identified and categorised in the previous three ***steps*** of the methodology. Developing Stakeholder Engagement profiles constitutes the final step in data collection about stakeholders, leading to targeted communication plans for effective stakeholder management. This is done by:

- Assessing the actual *attitude* - level of support and receptiveness of stakeholders
- Describing the target *attitude* - level of support and receptiveness of stakeholders

Ratings for Support & Receptiveness	
Support: for the project or its outcomes.	5. **Active support**: provides positive support and advocacy for the work 4. **Passive support**: supportive, but not actively supportive 3. **Neutral**: is neither opposed or supportive 2. **Passive opposition**: will make negative statements about the work, but not do anything to affect its success or failure 1. **Active opposition**: is outspoken about opposition to the work, and may even act to promote failure or affect success
Receptiveness: to messages or messengers about the project or its outcomes.	5. **High:** eager to receive information 4. **Medium:** will agree to receive information 3. **Ambivalent:** may agree to receive information 2. **Not interested:** not prepared to receive information 1. **Completely uninterested:** emphatically refuses to receive information

Figure 7.13: ratings for support and receptiveness

The first step of this analysis involves identifying the current level of support of the stakeholder(s) at five levels: from committed (5), through neutral (3), to antagonistic (1). The second step is to rate the receptiveness of each stakeholder to messages about the project: on a scale of 5, from where direct personal contact is encouraged (5), through ambivalent (3), to completely uninterested (1). Figure 7.13 summarises these rating levels. This information is recorded in a 5 by 5 matrix as shown in Figure 7.14: the *stakeholder-on-a-page*™ template allows for up to three assessments of stakeholder engagement over time.

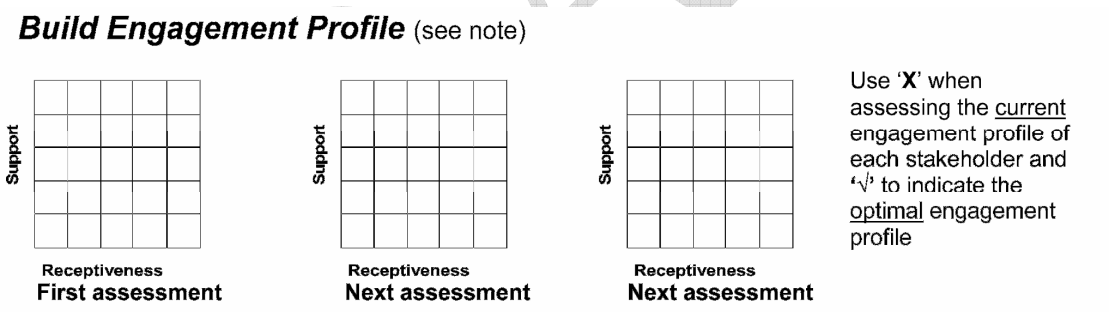


Figure 7.14: the engagement section from the *stakeholder-on-a-page* template

These steps are repeated to identify the optimal engagement position (target *attitude*) for project success: a realistically achievable level of support and receptiveness to messages that would best meet the mutual needs of the project and the stakeholder. If an important stakeholder is both actively opposed and will not receive messages about the project, he or she will need to have a different engagement approach from stakeholder(s) who are highly supportive and encourage personal delivery of messages.

Figure 7.15 shows the results of assessments for three different stakeholders. Stakeholder 1 has been assessed as being ambivalent about the project, neither supportive nor unsupportive, and not really interested in receiving messages about the project, these results are shown by 'X' in the appropriate boxes in the matrix. However, the team has rated this stakeholder as being important to project success

and that the engagement profile SHOULD BE 'passive support' and 'will agree to receive information about the project; this is shown with a '√' symbol.

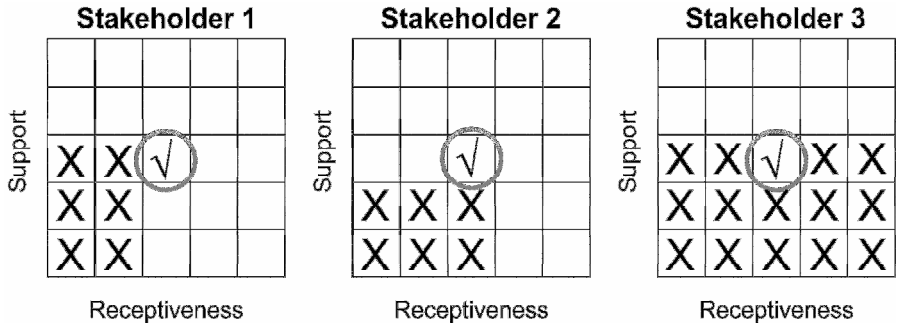


Figure 7.15: stakeholder *attitude* (baseline)

Stakeholder 2 has been assessed as 'passive unsupportive' and 'ambivalent; may agree to receive information', whereas the engagement profile SHOULD BE 'ambivalent: neither supportive nor non-supportive'. This stakeholder may be someone who is rated as 'not very important' to the project at this time, but nevertheless may cause harm through spreading negative views about the project. In both cases, the gap between the current engagement profile and the optimal profile indicates the level of effort required in developing communication strategies for stakeholders, to encourage their support and interest.

Stakeholder 3 has been assessed as being ambivalent about the project, neither supportive nor unsupportive, but 'eager to receive information about the project, whereas the engagement profile SHOULD BE for receptiveness to be 'ambivalent: neither supportive nor non-supportive'. This is a situation where the current profile is quite different from the optimal profile and will require careful handling from the team.

Based on each stakeholder's engagement strategy, a communication plan will be developed, consisting of: specific messages or message forms (reports); how messages will be delivered; by whom; whether formal or informal, written or oral; at what frequency. The frequency and regularity of delivery of these messages will vary with the level of support and receptiveness of the stakeholder, the gap between current assessment and optimal assessment, as well as the stage of the project.

One final step to prepare for communication

The final step before developing the communication plan is to categorise each stakeholder into one of three groups:

1. The current engagement position – attitude is **equal to** the optimal position
2. The current engagement position – attitude is **greater than** the optimal position
3. The current engagement position – attitude is **less than** the optimal position

In the first instance where the current attitude is **equal to** the optimal position, communication can be maintained at 'business as usual': the defined level and frequency of regular reports, meetings, and presentations can be safely maintained. For the situation where the current attitude is **greater than** the optimal position, two possible approaches need to be considered, depending on the results of the

engagement matrix. In Figure 7.15, Stakeholder 3 is rated as being well above the level of receptiveness to messages necessary for success of the project, but at the appropriate level of support of the project to ensure success of support. The decision the team have to make regarding Stakeholder 3 is whether to reduce the level of information flowing to this stakeholder (and risk a reduction in support from this stakeholder) or to maintain the current level of communication. The decision can only be made in the light of the knowledge the team has gained during the preceding steps of the stakeholder analysis.

The third category where the current *attitude* is **less than** the optimal position, the team needs to focus their efforts on 'heroic' communication if the stakeholder is important; Stakeholder 1 (Figure 7.15) is in this category. This type of communication is generally needed for only a small percentage of stakeholders, but any effort expended on increasing the levels of support and receptiveness to the optimal position will significantly benefit the project. Generally in this case, a number of different communication approaches needs to be used, from regular reports and meetings, through special presentations and possibly even using the influence of other important but supportive stakeholders to deliver the project information. Multiple complex communication activities must be coordinated by a relationship manager who could be the project manager or a supportive senior stakeholder.

Communication Plan

Message	Messenger	Format (W/O F/I)	Frequency	Assessment date	Comments

Relationship Manager: *'owns' the relationship* _____

Figure 7.16: the communication section from the *stakeholder-on-a-page* template

Figure 7.16 shows the final portion of the *stakeholder-on-a-page*™, used to record the communication plan for each stakeholder based on all the information and decisions described in this section. Communication strategies will be described in more detail in Chapter 10.

Feedback Mechanism

Regular Stakeholder Review meetings, similar to Risk Review meetings will maintain the currency of the project's stakeholder community, or provide information about changes in that community that will cause the project's stakeholders to be re-assessed, re-prioritised and re-developed as a new ***Stakeholder*** *Circle*® (community).

The re-assessment of the engagement matrix of each project stakeholder is an essential part of the project review processes, whether through regular team meetings, specific reviews or in response to other unplanned events around the project. The

results of the reviews will provide the necessary trend analysis for the team to know whether or not the communication strategies and activities are being effective. This process will be discussed in detail in the description of ***Step 5: monitor***.

Monitoring the effectiveness of communication

Once the Communication Plan has been developed, the strategy relating to the 'who, what, when and how' of delivering the tailored messages planned for the important stakeholders must be converted into action[12]. Monitoring the effectiveness of this communication effort, and providing essential data for corrective actions if required, is the final step of the ***Stakeholder*** *Circle*® methodology, ***Step 5: monitor***.

Each time the stakeholder community is re-assessed and the engagement profile updated, any changes in the gap between the current profile and the optimal profile must be considered. This movement (or lack of movement) provides an indicator of the current communication plan's effectiveness in influencing the attitudes of key stakeholders. Where the communication is being effective, the current plan should be maintained, where it is not working, the communication plan should be changed.

If there has been a worsening of the gap between the current profile and the optimal profile, this is a strong indicator that the communication strategy developed for this stakeholder is not having the desired effect; it should provide the evidence needed to try a different approach. If there has been an improvement in the gap between the current profile and the optimal profile, this may indicate that the communication strategy is working and encourage its continuation. However, during the review, it is essential to consider the project's overall environment to ensure that any identified changes have been caused by the project's communication efforts rather than by external circumstances.

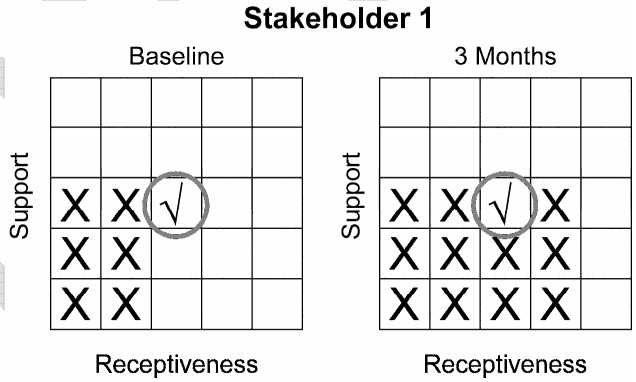


Figure 7.17: reviewing stakeholder *attitude* after 3 months – Stakeholder 1

In the examples, Stakeholder 1 was first assessed as passively supportive but uninterested in receiving project messages (shown previously in Figure 7.15), and an engagement strategy and communication plan was developed to improve the engagement profile. On re-assessment, the level of support has not changed; it remains optimal suggesting the information being communicated is appropriate. On the other hand, Figure 7.17 shows that the level of receptiveness has been improved

[12] For more on communications see *Getting the 'soft stuff' right - Effective communication is the key to successful project outcomes!*: http://www.mosaicprojects.com.au/Resources_Papers_055.html

beyond the optimal, suggesting the method of communication is effective. The next decision that the team must make is whether to maintain the current level of communication to Stakeholder 1 and assess at the next review, or whether to re-plan communications and redirect effort elsewhere.

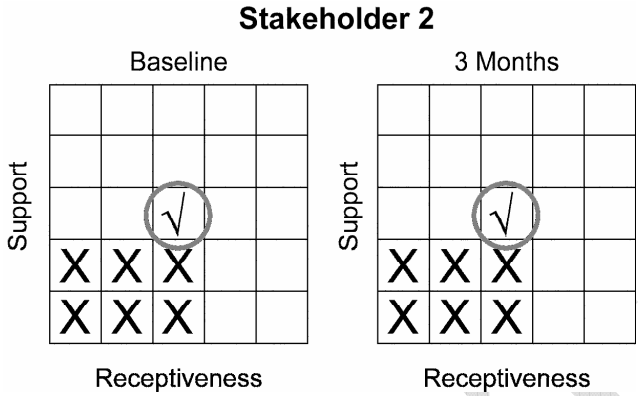


Figure 7.18: reviewing stakeholder *attitude* after 3 months – Stakeholder 2

Stakeholder 2 baseline was assessed to be passively unsupportive but at the level of receptiveness necessary for success of the project. As shown in Figure 7.18 there has been no change. The team will now have evidence that the current communication plan is not being effective: they will have to try a different approach.

Figure 7.19 shows the effects of comparing Stakeholder 1's engagement profile over time. After three months, the comparison of the new profile with the baseline showed that the stakeholder's level of receptiveness had exceeded the optimal position. This could mean that the stakeholder had been so influenced by the communication effort of the project team in the first three months that he required much more information about the project than the project team thought necessary.

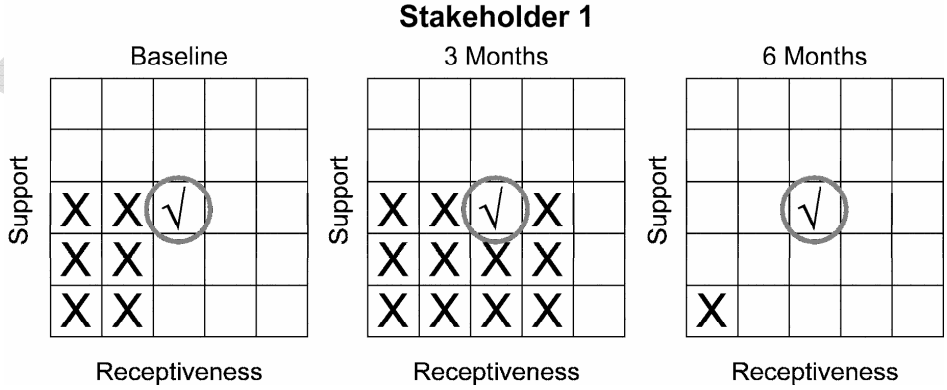


Figure 7.19: reviewing stakeholder *attitude* after 6 months – Stakeholder 1

The project team may have decided to communicate at a lower level as a result of the three month assessment; whilst the stakeholder's expectations were of receiving a higher level of attention from the project team in the form of additional communication activities. The consequences of reducing the amount of information to the stakeholder, shown at the six month assessment may have been caused by the stakeholder feeling neglected, and losing all interest in the project. This may be the

interpretation of the engagement profile at the six month review (Figure 7.19). However, it is important to investigate all possible reasons for any such result: the six month review may indicate that the stakeholder now regards another project as more important or even that he has lost power in the organisation and is now no longer interested in any project.

There are no simple answers: the changes in the profile for each key stakeholder are a strong indicator of the effectiveness of the communications strategy but need to be considered along with changes in the relative importance of the stakeholder and all other pertinent factors. This requires regular maintenance of the whole data set to ensure optimal results from the communication effort.

Managing the Stakeholder Community

One essential aspect of managing project stakeholders is to recognise that the stakeholder community is not static. Individuals and groups that are essential to project success in one part of the project may not be essential in other parts of the project. For example, stakeholders who are important to the success of the design phase may not be important to the success of the project once it is in build phase; the stakeholder community will change membership as the project moves through its lifecycle.

Similarly, the stakeholder community will change when there are changes to the structure or business direction of the performing organisation. Individual stakeholders may lose power within the organisation, or may leave, others may join the organisation. These changes will affect both the membership of the stakeholder community and the relative importance of members of the community over time.[13]

Even when the organisation remains stable, a stakeholder's interests in, and support for, the project may vary due to changes in the focus of the stakeholder. For example, if the stakeholder perceives that the project is not delivering to expectations, he may decide the project is no longer worthy of his support. Alternatively, another project may become more important to the stakeholder, or senior management may redefine the duties and responsibilities of the stakeholder requiring him to focus elsewhere.

Consequently, the process of identifying, prioritising, and planning the engagement of project stakeholders cannot be a once-only event. To maintain the usefulness of the stakeholder information the assessment process may have to be repeated in whole or in part many times. An essential part of the ***Stakeholder** Circle*® methodology is the repetition of the processes at appropriate intervals and the reappraisal of the stakeholder community, particularly focusing on trends and changes.

Reviews may be triggered proactively, or reactively. A proactive approach would be to include reporting on all aspects of the stakeholder engagement activities as a regular item on the project meeting agenda. Team members should be encouraged to report any information gathered during communication with stakeholders. This may

[13] When describing membership of the stakeholder community, it is important to recognise stakeholders as being either individuals, groups or organisations. An individual can be an important stakeholder by virtue of being a key representative of a group or organisation: that same group or organisation is not necessarily at the same level of importance as its individual representatives.

be in the form of rumours about personnel in the performing organisation or other organisations, or pieces of information that may together with other small pieces of information provide some forewarning of changes to funding, resourcing, sponsorship or the importance to the organisation of the deliverables of the project. The issues raised or news collected as a result of the feedback on stakeholder communication may trigger a review of the current community and re-assessment of the importance, attitude and support of members of that community.

Another example of proactive stakeholder management is to factor the principal communication points and regular reviews of the stakeholder community, such as when the project moves into a new phase, into the project schedule. Responsibilities should be allocated so that the communication and review activities will be reported regularly as part of the project status information and the reviews undertaken at the planned times. This should not be too onerous, the review will probably only affect a small number of stakeholders and their relative importance in the community.

The reactive approach to re-mapping and managing the stakeholder community will be to undertake a review only in response to major changes to the organisation or when problems occur.

Regardless of the trigger the results of the reassessment will be a redefined stakeholder community and updated engagement profiles. Once enough information has been collected to form a picture of the project environment, the next step would be to refer this information to supportive stakeholders for interpretation. By operating within the political context of the organisation in this way, the project team can be prepared for adverse events and be best place to exploit opportunities[14].

However, given that the membership of the stakeholder community will change, it is important that the team develops ways to maintain a current view of the stakeholder community, so that they always have a view of who are the *right* stakeholders for any time in the project's lifecycle.

Implementing the methodology

The readiness (or maturity) of the organisations involved in working on the delivery of project outcomes will influence the support that is provided to the project for effective implementation of the ***Stakeholder** Circle*® methodology. The appropriate parts of the methodology to use, and the path to a successful implementation of the full methodology can be gauged by evaluating the organisation's current state against the Stakeholder Relationship Maturity Model – SRMM® (Bourne, 2008). The level of support from different organisations within the overall project delivery team will also be influenced by the procurement strategy adopted for the project. Chapter 12 discusses different forms of procurement and the impact of these different forms on stakeholders; see also (Walker, Bourne and Rowlinson, 2008) for the influence of stakeholders in supply chain management. The challenge facing the project team is to make the assessment as inclusive as possible.

[14] For a discussion on operating within an organisations power structures see *Tapping the Power Lines*: http://www.mosaicprojects.com.au/Resources_Papers_014.html

The probability of a successful stakeholder engagement is enhanced when all of the groups involved in the work of the project recognise the benefits of collaboration in stakeholder identification, mapping and engagement processes. If the collaborative approach is encouraged, representatives from all areas – client, designer, contractors and suppliers will participate in the stakeholder engagement team, as described earlier in this Chapter. When the team is constituted from a sub-set of those involved, the richness and completeness of the data gathered will be reduced, possibly reducing the effectiveness of the stakeholder engagement activities with a consequential increase in the possibility of the project failing.

However, even without the full cooperation of all parties involved in the delivery of the project outcomes, the application of the methodology by the project team will provide valuable information and insights. Using the methodology will help the team identify the relationships that need to be nurtured and the stakeholder groups that must be engaged for success of the entire project.

Conclusion

Any decisions that the project team (people) make about the project's stakeholders (also people) are of their very nature subjective; and because the people involved are ever changing, any attempt at a single, objective analysis or reporting is bound to fail. Successful stakeholder mapping requires a transparent, dynamic process that builds understanding as the project progresses. Project teams must find ways to not only understand who their stakeholders are at any time in the project, but also what their expectations are, and finally, find ways to measure the effectiveness of the team's communication efforts.

Effective mapping systems need simplicity and flexibility in both data gathering and reporting about project stakeholders. These requirements should be reflected in guided steps through a series of processes that can be cumulative or can be approached in parts, depending on the needs and maturity of the organisation. The ***Stakeholder Circle***® methodology and visualisation tools provide an effective way to achieve this through a five ***Step*** process designed to provide a cumulative collection and mapping of data about a project's stakeholders and through trend analysis monitor the effectiveness of the team's communication efforts.

There are three parts to the ***Stakeholder Circle***® methodology and visualisation tool that cumulatively add to its effectiveness. The methodology supports the identification and prioritisation of all the project's stakeholders, producing a manageable number of the key stakeholders of that project. The second part of the methodology is the supporting tools, which makes the task of allocating relative importance of stakeholders both time and effort efficient. The final part of the methodology is the processes for developing an engagement strategy and associated communications plan to support understanding of the expectations and perceptions of the stakeholders, and how they can be managed and met.

Organisations that are prepared to invest in an appropriate system will benefit from the increased awareness by the project team members of the importance of project

relationship management and the provision of tools to achieve a better understanding of how to achieve it. The ROI can be substantial; Chapter 13 discusses the 'gains and pains' of stakeholder management in construction projects.

References

Bligh, P & Turk, D. (2004). "CRM Unplugged: Releasing CRM's Strategic Value". John Wiley & Sons, New York.

Bourne, L. (2005). Project Relationship Management and the Stakeholder Circle. Graduate School of Business. Melbourne, RMIT University. Doctor of Project Management.

Bourne, L. (2008). SRMM®: Stakeholder Relationship Management Maturity. Proceedings of PMI Global Congress - EMEA St Julian's Malta, PMI.

Bourne, L. and D. H. T. Walker (2005). "Visualising and Mapping Stakeholder Influence." Management Decision 43(5): 649-660.

Department of Sustainable Environment. (2007). "Stakeholder Analysis." from www.dse.vic.gov.au.

Fletcher, A., J. Guthrie, P. Steane, G Roos and S, Pike, (2003). "Mapping stakeholder perceptions for a third sector organization." Journal of Intellectual Capital 4(4): 505 - 527.

Glasser, W. (1998). The Quality School: Managing Students Without Coercion. New York, Harper Collins.

Imperial College London. (September, 2007). "Project Stakeholder Analysis." from www3.imperial.ac.uk.

Mitchell, R. K., B. R. Agle, D. J. Wood, (1997). "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What really Counts." Academy of Management Review 22(4): 853 - 888.

Moorhouse Consulting. (2007). "Beyond Conventional Stakeholder Management: Developing PRIME Intelligence on complex programmes." from www.moorhouseconsulting.com.

Murray-Webster, R. and P. Simon (2007). Making Sense of Stakeholder Mapping. Project Management Practice. 2007: 12 - 13.

Office of Government Commerce UK (2003). Managing Successful Programmes. London, The Stationary Office.

Rock, D. (2006). Quiet Leadership: Six Steps to Transforming Performance at Work. New York, HarperCollins.

Savage, G. T., T. W. Nix, C. J. Whitehead and J.D. Blair, (1991). "Strategies for assessing and managing organizational stakeholders." Academy of Management Executive 5(2): 61 - 75.

Sbarcea, K. and R. Martins. (2003). "The 'temporary knowledge organisation' as viewed from a complexity perspective. An enrichment of the traditional organisational project management paradigm." Retrieved 3 April, 2004, 2004, from www.aipm.com.au.

Turner, J. R., V. Kristoffer, and L. Thurloway, Eds. (2002). The Project Manager as Change Agent. London, McGraw-Hill Publishing Co.

Walker, D. H. T., L. Bourne, and S. Rowlinson, (2008). Stakeholders and the Supply Chain. Procurement Systems: a cross-industry project management perspective. Ed D. H. T. Walker and S. Rowlinson. London, Taylor & Francis.

Weaver, P. (2007). A Simple View of Complexity in Project Management. Proceedings of the 4th World Project Management Week. Singapore.