Project Services Pty Ltd

BEYOND REPORTING

THE COMMUNICATION STRATEGY

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Introduction

Reporting and communicating are not the same! Every project, program and PMO manager produces reports on a monthly, weekly and sometimes daily basis but these reports are not necessarily communication. Effective communication with key stakeholders requires sending messages that are received, understood and where appropriate, acted upon by the stakeholder. Communication is a two way process, at the very least, for a communication to be complete, the sender needs to know the message has been received and understood.

Communicating effectively with stakeholders is as much an art as a science. It starts with understanding who the important stakeholders are, the ones the team must invest a greater communication effort in (standard reports can be used for the rest). The next step is to determine the reason for communicating with the person or the expected result and designing a communication strategy to achieve the desired outcome. Finally, as the communication strategy is implemented, processes need to be in place to measure the effectiveness of the communication and make sure it is working.

Effective communication with key stakeholders is a critical element in achieving a successful project outcome; simply producing reports is not enough. This paper will provide a framework for managers to use to plan, design, implement and measure the effectiveness of their communication strategies with key stakeholders and help achieve successful outcomes for their projects and programs.

Structure of the paper will be as follows: firstly a description of the science of communication, defining communication and stakeholder theory and a structured approach to understanding the nature and membership of the stakeholder community at any given time. The second section contains a review of the tools and techniques of communication including project progress reports as part of the communication strategy; followed by a discussion of the art of communication including the concept of targeted communication - knowing who needs special attention and then how to construct the most appropriate message and then successfully deliver this message.

The Science of Communication

Communication Theory

Within communication theory, communication is both a process and an activity. The process is described in the PMBOK (PMI 2008:255) and shown in Figure 1. This is the sender/receiver model based on data communication developed to understand and measure the transmission of data from point to point and also to determine whether it was received with the same content as was originally transmitted.

This basic sender/receiver model describes a process where a message is encoded, sent through a medium such as wireless or cable and decoded on receipt by the receiver. In the data communication context there is feedback, whereby the message is recoded and returned to the sender to confirm the accuracy of the message. This confirmation is achieved by noting any differences between the ‘checksum’ of the original message and that of the message as it is decoded by the sender after the feedback loop is completed. An additional component – noise – may affect the receipt of the message (in either direction) or may reduce the accuracy of its receipt.

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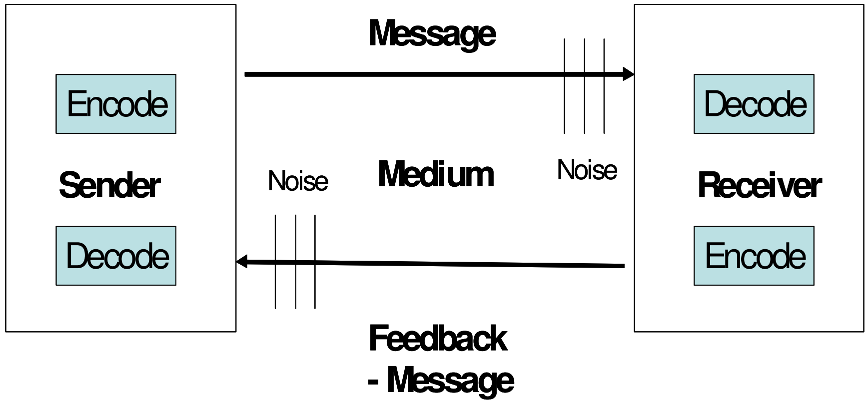

Figure 1 - Basic sender/receiver model (PMI 2008)

When applied to human communication there are a number of considerations:

- The message must be framed (encoded) in a way that is easily understood by the receiver:
    - Same language;
    - Clear purpose;
    - Formatted to suit needs of receiver;
- The medium for transmission should be appropriate to the content and purpose of the message;
- Noise should be minimised;
- Feedback in the form of 'active listening' should be employed to increase the chances the intent of the original message was received without distortion.

Stakeholder Theory

Stakeholders are defined as:

> *Individuals or groups who will be impacted by, or can influence the success or failure of an organisation's activities* (Bourne 2009:50).

Stakeholders may be groups or individuals who supply critical resources, or place something of value at risk through their investment of funds, career or time in pursuit of the organisation's business strategies or goals. Alternatively, stakeholders may be groups or individuals opposed to the organisation or some aspect of its activities. The team must understand who the stakeholders are for any phase of the project, and in particular who the *important* and *key* stakeholders are. *Key* stakeholders are defined as stakeholders who have power to damage the work or its outcomes significantly. *Key* stakeholders are distinct from *important* stakeholders who have been assessed as relatively important in the stakeholder community at this time, although *key* stakeholders are usually in the top 15 most important stakeholders as well (Bourne 2009:101).

Stakeholders are critical to project success because of the influence they can hold over the successful delivery of the outcomes or because they may become militant or antagonistic to the outcomes to the detriment of the perception of the success of these outcomes. There are two main reasons why stakeholders are important to project success:

- They are the source of scarce resources such as skilled people or funding
- They have the ability to affect the outcomes either through action or inaction.

Research into project success or failure has shown that successful delivery is aligned to:

- Strategic alignment of funded activities to the organisation's strategies;

- Involvement by users and managers (also stakeholders) (KPMG 2005);
- Perceptions by stakeholders the work has delivered the expected outcomes or benefits (Sauer 1993; Lemon, Bowitz, Burn and Hackney 2002; Bourne and Walker 2003);
- Acknowledgement of behavioural aspects of risk (Murray-Webster and Hillson 2008).

This means that the identification and engagement of the stakeholders of the project is essential for project success. It is essential that the team uses a structured and consistent process to do this. There are many such processes and stakeholder management methodologies available in the market today: this paper will describe one of them – the ***Stakeholder** Circle*.

A Methodology for engaging the right stakeholders

The ***Stakeholder** Circle* consists of five steps (Bourne 2009):

- *Step 1: identify;*
- *Step 2: prioritise;*
- *Step 3: visualise (or map);*
- *Step 4: engage;*
- *Step 5: monitor*[1].

An organisation can use all the *steps* in sequence or only utilise those that meet its current needs. However, the current stakeholder community must be identified by some method and *key* and *important* stakeholders recognised and their expectations understood, before any communication strategy can be developed. *Step 4: engage* will enable the team to understand where to focus their scarce resources to ensure maximum gain for their project.

Reporting -v- Communicating

Communication in its many forms is the only tool (or technique) for managing stakeholder relationships. Effectively planning and implementing the specific communication strategy tailored for the project's stakeholder community must be considered one of the most important roles of the team and the project manager often consuming between 75% – 90% of the total time of the project manager. The various and diverse forms of communication to stakeholders include: face-to-face or technology-assisted meetings, telephone conversations, email, 'corridor' conversations (generally with peers), 'elevator' conversations (generally with *upwards* stakeholders), and formal structured communication such as project documentation, progress reports, estimates and forecasts, issues logs, risk registers and action lists. Often project teams do not recognise reports as communication. Alternatively, they believe that reports are sufficient for distribution of information to stakeholders and no other form of communication is necessary to ensure that *key* and *important* stakeholders receive the information necessary to satisfy their expectations. *Key* and *important* stakeholders may require additional communication to engage them so that they are more willing to provide the necessary support for the work or outcomes of the project. The team must be able to augment the data in reports to ensure the appropriate information is made available in the appropriate format, delivered in the most effective way.

The role of reports

As defined in the previous paragraph, reports are formal, structured and often standardised means of gathering and delivering data about the project, its progress against original estimates and often items of interest such as current issues and priority risks. This data will be disseminated, usually electronically, to a pre-selected group of recipients. Whether or not the recipients read, act on or

[1] For more on the Stakeholder Circle® and free downloads visit: https://mosaicprojects.com.au/PMKI-TPI-076.php

otherwise 'receive' the information is not certain, depending on the recipients' need for the information, or level of interest (a combination of level of *support* and *receptiveness* to information about the project).

One of the weaknesses of the report as the major (and often only) tool for disseminating information to stakeholders is that it is focused on the needs of the project and is a product of the project management information system (PMIS). This weakness is related to two essential points – the report is:

- Usually broadcast – sent via email to the selected recipients;
- Standardised so that the information contained is the organisation's or the project team's view of what the stakeholders should receive rather than what is essential to meet the expectations and therefore to manage the perceptions of *key* and *important* stakeholders.

There are other impediments to the project's message being received by the intended recipients of this information. Two key impediments are the accuracy and timeliness of the data included in the reports. Accuracy is related to the complete and consistent provision of the essential information and timeliness is related to the current or recent provision of the data. Many PMISs used in organisations today report *after* the event, often longer than a month afterwards, meaning that there is little opportunity for intervention or remediation, only issue management. Credibility is essential for the project manager and team; this is closely tied to the nature of the information received about the project. If essential information is inaccurate or received too late it reflects on the perception of the project. It also reduces the ability of the project manager to have the develop and maintain the necessary credibility to be 'heard' when issues do arise needing support or intervention from the project's senior stakeholders.

The formal structured nature of all forms of project reporting will provide essential information for continuous improvement within the project and the organisation, providing the organisation has the ability and the will to manage this essential knowledge. Historical records in the form of easily accessible *lessons learned* are another means of communication – they are messages to future project teams or other groups in organisations who may be required to do similar work and encounter similar issues at a later date.

Reports whatever their nature and intent must be considered as a sub-set of all the other potential means to manage relationships between the project and its stakeholders, and while they fulfil an important role in a project's communication strategy, they are by no means the only tool available.

Communication

To be effective communication must fulfil some essential guidelines:

- It must be focused on needs of receiver as well as the needs of the project and the project team;
- The message must be tailored in the context of these needs and the purpose of the communication whether to:
    - Build or increase support (change attitudes);
    - Maintain or enhance existing relationships (build credibility for when support is needed);
    - Deliver information (and therefore manage stakeholder's perceptions).
- The format and content of the message should be appropriate to the stakeholder's influence on the project (see Figure 2):
    - *Upwards* for senior management;
    - *Downwards* for team members;
    - *Outwards* for stakeholders outside the project;

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  - *Sidewards* for peers of the project manager.
- Barriers to effective communication must be identified and managed. These barriers are the 'noise' defined in the data communications model of communication as described above. They can include:
  - Level of interest of the recipient in the subject matter;
  - Credibility of the sender;
  - Power differences between sender and recipient;
  - Cultural differences (nationality, gender, generational, professional);
  - Social issues (does the recipient 'like' or respect the sender? what is the emotional state of the sender or recipient? (Goleman 2006);
  - Physical environment (is it noisy?).

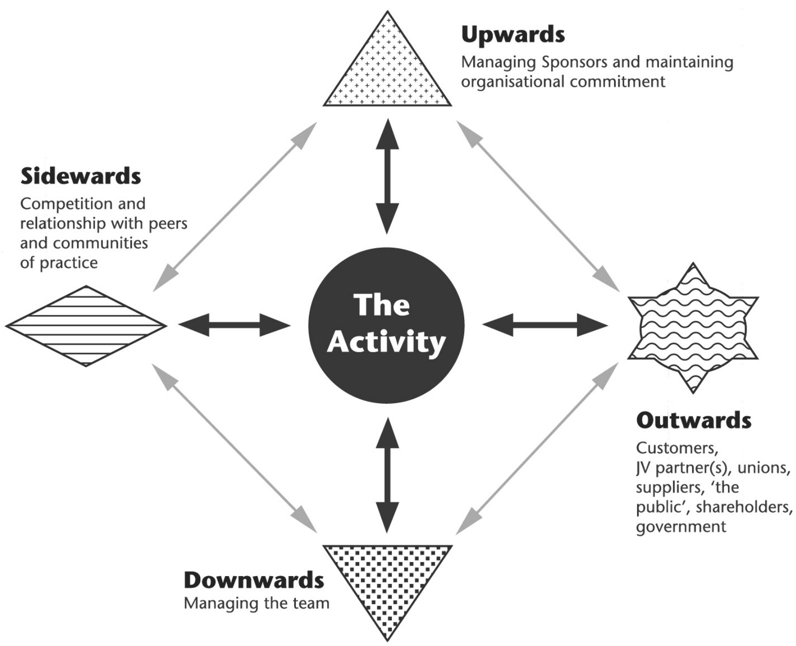

Figure 2 - ***Directions of Influence***

Developing a Communication Strategy

The communication strategy must be developed from the identification and analysis of the stakeholder community:

- Which stakeholders are *key* or *important* at this particular phase of the project?
- What are their expectations?
- Why are they stakeholders?
- How supportive and receptive to information about the project are they? This is the current *attitude.* How does it compare to the *attitude* necessary for project success?
  - The wider the gap between current and target *attitude* the more the team must focus on developing a communication that augments regular reports.
- How effective is the communication strategy? Once implemented is it improving the gap between current and target *attitude?*

The information needed to build the communication strategy can be obtained through application of the 5 *steps* of the ***Stakeholder*** *Circle* (Bourne 2009).

Implementing the Communication Strategy

A strategy or a plan has no use unless it is implemented. The bridge between the communication strategy and robust stakeholder relationships is the communication plan which includes intention to action. Most project management methodologies include a communication plan and generally a plan is developed at least in the early stages of the project. However, in practice it is rarely reviewed (and updated) or consistently followed. The final aspect of the science of communication is to define ways to ensure that the communication plan is implemented and its purposes met.

Ensuring that the communication plan is implemented can be achieved easily through ensuring that all important communication activities are included in the project schedule. This can also include the resources that have been identified as necessary to carry out the communication activity. Once these activities have been included in the schedule, they must be reported against at regular intervals, perhaps at project meetings. In this reporting environment any issues raised or information gathered during these communication activities can be shared with the team and where necessary resolved or dealt with as appropriate. Measuring and monitoring the effectiveness of the communication can be achieved by regularly assessing the gap between the current and target *attitude,* as described earlier. If the gap is closing it is likely that the communication is achieving its desired result, if there is no change or the gap is widening, this is evidence that the activity defined in the communication plan is not working and must be reviewed, modified or a new approach taken. Figure 3 shows how the data from *step 4: engage* can be used to measure the effectiveness of previous communication activities.

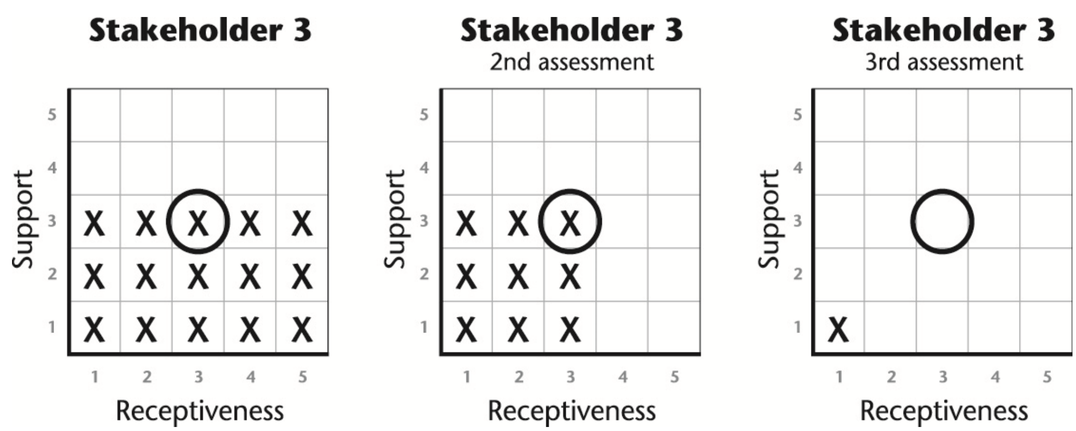

Figure 3 - Monitoring communication effectiveness using engagement profiles

The engagement profiles are developed by:

- Assessing the actual *attitude* of selected stakeholders (using ‘X’);
- Describing the optimal (or target) *attitude* of these stakeholders necessary for success of the activity (using ‘O’).

The steps in this process are:

- Identify the current level of *support* of the stakeholder(s) at five levels: from *active support* (committed – rated as 5), through neutral (rated as 3), to *actively opposed* (antagonistic – rated as 1). Table 5.1 summarises these ratings;
- Analyse the current level of *receptiveness* of each stakeholder to messages about the activity: from *eager to receive information* (direct personal contacts encouraged – rated as 5), through *ambivalent* (rated as 3), to *completely uninterested* (rated as 1).

Figure 3 depicts the change in *attitude* of a particular stakeholder over time. The first assessment forms the baseline, the second assessment shows that the target has been reached and the third assessment indicates that the stakeholder has lost interest. In this case it may be a failure of communication or something else – perhaps a personal issue.

The Art of Communication

The art of communication is the set of skills, experience and willingness to engage, that project managers must develop to effectively implement the communication plan. All the information about the stakeholder community gathered to date, the available tools, techniques and processes at the disposal of the project team and the skills and experience of the project team members are important inputs to the art of communication.

Essential components of the art of communication are:

- Selecting the 'best' messenger;
- Using influence networks if necessary (figure 4 shows how stakeholders can have connections to the project but also outside the influence of the project, where 'GL' is the project manager);
- Defining the method for most effective delivery;
- Clarifying the purpose of the message;
- Considering special communication:
    - Negotiation;
    - Conflict resolution;
    - Change management and issue resolution.

Each of these aspects will now be discussed in more detail.

Selecting the messenger

While communication and the development and maintenance of successful relationships with project stakeholders is the prime responsibility of the project manager, this does not mean that only the project manager should actually do all the communication. It is important to consider the following factors when selecting the messenger for stakeholders requiring 'heroic' communication: these are *key or important* stakeholders whose current *attitude* is far removed from the target *attitude* defined by the project team as necessary for success of the project. A situation may arise where the stakeholder is not interested in any information about the project from anyone in the project team. In this event it is important to select a stakeholder who is supportive of the work of the project and who is willing to deliver the information on behalf of the project. Often this supportive stakeholder will have been identified through an understanding of which individuals within the stakeholder community or outside it can influence the stakeholder's *attitude* and who will be 'heard' by the *key* or *important* stakeholder. On other occasions the project manager may select a team member to be assigned to communication responsibilities as part of the individual's growth and development. It is not possible for the project manager to do all the communication, so the plan must reflect an allocation of these responsibilities according to the concepts discussed above.

Influence networks

Figure 4 depicts a project's potential connections. Stakeholders can have connections to the project but also outside the influence of the project. Network structures such as these can assist the project manager and team to identify connections between stakeholders in the project stakeholder community who do not necessarily have connections through the project team or the project communication network. A simple device such as a simplified network analysis around one individual the team selects a supportive stakeholder who has influence over the unsupportive stakeholder.

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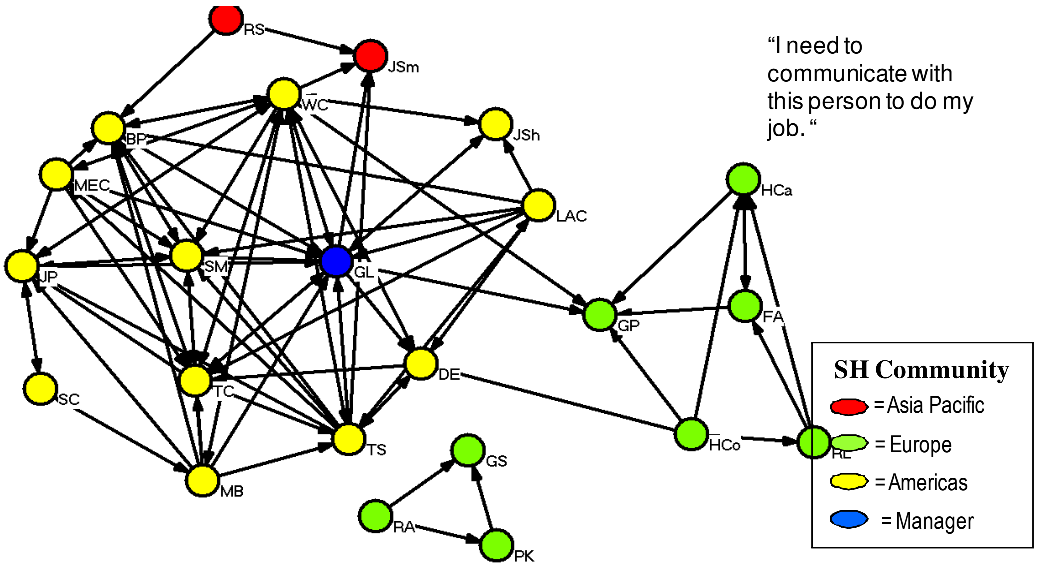

Figure 4 - Example of an influence network

Selecting the most appropriate stakeholder for this activity may result from information collected by asking the following questions:

- Who does the target stakeholder work with? (has an undirected relationship);
- Who does he/she ask for help? Who do he/she give advice to? (directed relationship);
- Who does he/she communicate with regularly or frequently? How often? e.g. never/monthly/weekly/daily? (indicates the strength of the relationship);
- Who does he/she meet with outside work, in a social context? (multiplex relationships).

By reviewing the information collected in this way and comparing with the data collected from stakeholder analysis it should be relatively easy to find an appropriate ambassador for the project.

Defining the method

The method of communication should be considered in two different frames: firstly as the mechanism for communication and secondly as the technique used to communicate. The PMBOK (PMI 2008:256) describes the mechanisms, the techniques are defined by Thomsett (2009).

Mechanisms are categorised as:

- Interactive: where sender(s) and recipient(s) share information or make decisions together. The best mechanisms will be meetings, phone calls video-conference, chat rooms;
- Push: specially constructed messages to meet a specific purpose that must take into account the needs of the individual stakeholder and as well as the project and possible other external bodies such as the organisation or the country or the Government. Most effort needs to be expended on this type of communication delivery mechanism; the techniques are described in this paper. Push mechanisms include written documents both formal and informal *including reports*, delivered both electronically and in hard copy, but may include elements of the interactive mechanisms as well;
- Pull: large volumes of data or information (or content) made available to be selected at stakeholder discretion through intranet sites, libraries, knowledge repositories.

Techniques are related to the purpose of the message (to be covered below), the messenger's personal style and the communication preferences of the recipient of the communication but are also categorised as:

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- Interactive: multi-directional exchange of information, conversations, knowledge-sharing through conversations, to ensure common understanding by all participants on specific limited topics. The best technique to use for negotiation and conflict resolution;
- Push: incorporates the concepts of goals reinforcement with 'rewards and punishment', also logical processes of persuasion – 'if A occurs then B will probably occur next'. A technique used in marketing to **create consumer demand** for a product, it incorporates left brain thinking and elements of control;
- Pull Participation and trust, based on a shared vision and common goals. In marketing the aim is to build up consumer demand for a product. Applied to communication techniques in that the desired outcome depends on appeals to the common good ......

Purpose of the message

When the method of communication is interactive or push the purpose of the message must be clearly understood by the sender and usually by the recipient. There are at least four types of reason for communication:

- Call to action: the purpose of the communication is to seek a decision or support from stakeholders or mobilise other stakeholders to do something to the benefit of the project;
- Concerning information (either disseminated or collected);
- Changing viewpoints (influencing *attitude)*;
- Clarification of concerns or issues to raise awareness.

Communication for special purposes

- Negotiation: an interactive mode of communication in which usually two parties seek to come to a final resolution or agreement that satisfies the needs, expectations or requirements of both parties. All techniques may be used in the process of arriving at a mutually acceptable result.
- Conflict resolution: conflict cannot be ignored and different approaches must be considered depending on whether a quick result is more important or maintaining the relationship. Generally the two are polar positions. The process will contain elements of interactive techniques as well as push and pull.
- Change management and issue resolution: require an understanding of the issue to be addressed, the best option for resolution and the impact of all options. Options must always include 'do nothing'.

Conclusion

Effective communication is central to building relationships through understanding and managing the expectations (unrealistic expectations are unlikely to be fulfilled) of stakeholders especially those stakeholders who have been identified as *key* or *important.* Satisfied and supportive stakeholders result from delivering what they need (as defined by them) to meet their (managed) expectations. As the research has shown project success is closely connected to understanding and managing relationships between the project and its stakeholder community.

This paper has described at a very high level why project reports are not always enough. Reports are only part of the necessary toolset for ensuring project success. The project team must not only manage within the constraints of schedule, budget and scope as reflected in the reports, but they must also recognise that successful stakeholder relationship management relies on both the science and art of communication to be effective. Developing and broadcasting reports is much easier than the other work that contributes to building and maintain successful stakeholder relationships. But for all projects except for the simplest management of stakeholder expectations must not be ignored – the effort expended on developing and reviewing communication strategies and implementing the plans will pay off – the reward being more supportive stakeholders, fewer 'nasty surprises', credibility and reputation and reduced risk of project failure.

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