Stakeholder management and culture management

The process of identifying and managing project stakeholders and culture is one of the most important processes in project implementation because not only is project success judged by stakeholder satisfaction, but because every stakeholder makes an essential contribution to the project (Verzuh 2008, p. 48). Beside stakeholder identification and management, project managers are required to establish a balance between implementing global standards and responding to local needs in their efforts to effectively manage the diffusion of stakeholder principles and practices (Nicolod 2007, p. 484).

Despite the great importance associated with stakeholder and culture management processes, these thorny processes or areas in project implementation have received less attention especially when comparisons are done relative to other areas that depend on these processes (Sharp et al. 1999, p. 1). Such areas include, but are unlimited to, scenario-based requirements and user involvement in the project development stages. It was from this perspective that this paper decided to make the following contributions on this topic: first, a study was developed based on the theoretical framework involved in the identification and management of stakeholder relationships. The project went on to review literature that helps its users to understand clearly the balance that needs to be struck between understanding of organizational culture and stakeholder management.

It is from the above perspective that this case study aimed to study the role and the influence of various stakeholders in the implementation of projects. In tackling this case study, the author began by stating the aim the need for studying this topic.

This was followed by a review of the literature. The literature review clearly established who the project stakeholders were. In addition, their role and their influence in the project were clearly identified. Moreover, the literature review defined organizational culture and went on to establish its link with stakeholder management.

After reviewing the literature, the author, in a holistic view, explored how a reputable Saudi technology firm, Zuhair Fayze Partnership (ZFP), identified and managed its stakeholders during a multi-million project implemented by the company. This project, which was undertaken in the year 2001 involved the analysis, design, development, installation and commissioning of a Facilities Information System to the Royal Saudi Air Forces (RSAF)- a renown aviation branch that services all Saudi Arabia's Airbases.

Having explored on the findings from his study, the author conclude by giving a critical analysis of his experience.

It should be highlighted that this case study, having been compiled after the implementation of a military IT project, presented a unique structure and experience. This was so because it involved the development of a military system and as such some of its details could not be studied openly due to security restrictions. As such, some knowledge gaps might be present in this case study thus constituting its major limitation.

2. 0 Aim and rationale of this paper

This paper's aim was to identify who the key project stakeholders were, how they were managed and how their expectations come to influence the success of the FIS project. In addition, the author assessed how

organizational or national culture shaped the expectations of key stakeholders. All these were intended to help him and the users of this paper to develop suitable and effective stakeholder management strategies in their current or future project assignments.

More so, in writing this paper, it should be noted that the author was motivated by the fact that despite the many developments in techniques and development tools to effectively manage projects, several projects have still experienced difficulties that have affected their overall quality leading to time and cost overruns. Mohammed (2006) in reviewing Morris and Hough (1987) research on an estimated 3500 projects established that " overruns" were the norm in project implementation since they ranged between 40 to 200 percent. The figure below depicted general statistics associated with project success from this research.

Parameter

%-age rating

Succeeded

29

Failed

18

Challenged

53

Table 1 showing the statistics of project success and failure

Pie chart 1 depicting the statistics of project success and failure

3. 0 Literature review

3. 1 Project stakeholders

Singleton (2007) defined stakeholders as organizations or individuals who are actively involved in projects and whose interests may be negatively or positively affected in the courses of completion or execution of these particular projects (p. 12). According to him therefore, stakeholders were made up of two categories; indirect stakeholders and direct stakeholders. Indirect stakeholders were summed up by those individuals who, despite having some level of influence or interest in the operations of the business, were not directly involved in the operations of the project. On the other hand, direct stakeholders were composed of individuals who were directly involved in the operations of any project lifecycle. As such, they were affected by the particular project, had the power to influence it or had stakes in the successful completion of the project. The following figure 1 showed the levels of stakeholder influence and interest.

High Interest

Manage them closely

Keep informed of project operations

High Influence

Low Influence

Keep satisfied

Monitor their operations

Low Interest

On their part, Walker and others (2008), in trying to establish a valid description of who a stakeholder was, discovered that stakeholders were groups or individuals who possessed some right aspects or interest in the operations of a project and thus contributed to or were impacted by say, the outcome or the work of the project (p. 648). To them, stakeholders could be classified into four groups namely; upstream stakeholders, downstream stakeholders supply-chain partners, project team stakeholders and external stakeholders. Figure 1 below showed these groups of project stakeholders.

Walker and his group (2000) in assessing the influence of project stakeholders and their mapping by project teams, came to the conclusion that " identifying stakeholders could help trigger a course of investigation that leads to a better understanding of the nature and types of power and influence that may be exerted on, within and to project management teams" (p. 648). Frooman (1999) expounded on this point by stating that in identifying the project stakeholders, the project managers were likely to determine whether their projects were to be awarded with the needed resources.

On their part, Post and others (2002) though acknowledging Freeman's popularised description of a stakeholder as the interests and entities that are either involuntarily or voluntarily involved in a firm's operations, went on to

develop their own " stakeholder view" that stressed on the need for stakeholder relationships in any project that involved creation of any organizational wealth (p. 1).

In addition, Sharp and others (1999) just simply defined a stakeholder as any individual or group who affected or were affected by achievement of a project's objectives (p. 1). They went ahead to list various categories of stakeholders as including managers of a project, end-users, engineers involved in system analysis, design and development, customers who are going to make use of the developed system, external bodies for instance system regulators, domain experts and many more (Sharp et al. 1999, p. 1-2). The three scholars expounded on their definition by giving another perspective that stakeholders may be composed of three categories namely those external on the project team; but who are internal in the organization, those internal on the project team and those who are external to both the organization and the project team (Sharp et al. 1999, p. 2).

3. 2 Understanding organizational or national cultures

Weiss (2008) defined organizational culture as the shared values and meanings as held by organizational members in common, and are articulated and practised by an organization's leaders (p. 300). To Weiss therefore, corporate culture is transmitted through:

- Leadership styles and values as espoused and practised by organizational leaders.
- The heroes and heroines that the company rewards and holds up as models (Weiss 2008, p. 300).

- The rights or symbols valued by organizations.
- The way of communication that exists between project heads and their stakeholders.

Weiss (2008) went ahead to highlight that though organizational cultures were both invisible and visible, informal and formal, project managers needed to study and understand organizational cultures through observation, listening and interacting with project or organizational stakeholders. Furthermore, they could study organizational culture in the following ways: studying an organization's physical setting and reading company policies to familiarise themselves with its expected norms or behaviours.

On his part, Chinyio (2007) defined organizational culture " as involving the level of deeper and basic beliefs and assumptions as shared by the members of organizations, that unconsciously operate and defined in the basic ' taken for granted' fashion, as ' organizations' view of themselves and their environment" (pp. 176-177).

Ideally, House and his group (2002) in their GLOBE research program theoretically defined organizational culture as " any shared motives, beliefs, values, interpretations and identities or meanings of important events that emerge from most common member experiences and are passed across generations of age" (p. 5).

Furthermore, in helping us to broaden our understanding of culture, Schein (1996) highlighted that culture manifested itself at 3 levels namely " the level of deep tacit assumptions, the level of espoused values that reflected

on what a group wished to be and the day to day behaviour. For any project success, project implementers needed to have a clear understanding of all the identified levels.

From their perspective, Osland and Bird (2000) noted that there was a tendency " for observers to confuse individual with group values" (p. 69). As such, there was need for project expatriates to carry out keen observations to identify the " variance in behavioural norms for individuals, organizational cultures, subcultures as well as changing sections of the society" (p. 70).

More so, Schein (1996) when analyzing why innovative projects failed to proliferate and survive noted there was lack of alignment amongst the following categories of culture: the " operator culture" which existed amongst the subordinates of an organization, the " engineering culture" which existed amongst the middle level managers and the " executive culture" which was present amongst the company top management (p. 9).

3. 3 The link between stakeholders and organizational culture

Studies on project management have shown that coupled with leaderships, organizational cultures are central to projects' operating efficiency and overall effectiveness. Studies have generally revealed that cultures are the " glue" that holds other organizational dimensions (strategy, structure, people and systems) together (Weiss 2008, p. 300). Project success will only be achieved if project leaders come to associate themselves with modelling, building and helping to sustain ethical and legal organizational or national

cultures via comprehensive and properly defined compliance and ethics programs.

3. 4 Key steps in stakeholder management

Singleton (2007) identified the following as the key steps in any stakeholder management process:

- Identification of key stakeholder groups

- Determination of stakeholder influences and interests

- Development of management strategies for each identified groups.

On his part, Gibben (2010) postulated that before going ahead to implement any project, project leaders or managers needed to take into account the following issues (p. 14);

- Clearly identify project stakeholders;

- Gather key data or information of the identified stakeholders;

- Use the collected data to determine or identify stakeholder priorities;

- Establish the strengths and weaknesses of the various stakeholders;

- Identify the stakeholder support;

- Predict the stakeholder behaviours. This can be determined by studying organizational culture and finally;

- Prepare a stakeholder management strategy.

- All the above stages can be summarized under stakeholder analysis approach.

Tellingly, Strong and Rath (2005) argued that the approach of stakeholder management contained three key steps namely; stakeholder identification, stakeholder analysis and stakeholder planning (p. 173).

Furthermore, on their part, Carayannis and his group (2005) stated the following as the key steps involved in stakeholder management (p. 184).

Identifying and classifying the stakeholders of the project (against, neutral, for) and analyzing their possible project impacts. This could be done using the project lifecycle.

Isolating and analyzing project stakeholders with any likely negative impacts

Incorporating and involving key primary project stakeholders (included and not limited to the clients, labour union, suppliers, contractors, consultants, and government agencies) in the project plan and in every subsequent phase of the project

Ensuring that the required information is regularly availed to the identified stakeholders at appropriate times. This will ensure that the identified key stakeholders will clearly concur with project objectives leading to a successful completion of the particular project.

3. 5 Stakeholder management strategies

These are the approaches used by project managers in minimizing the influences caused by the identified project stakeholders.

From his research, Karlsen (2002) found out that in most projects, systematic or formal stakeholder management strategies did not exist (p. 22). From his research, stakeholders were managed on a random basis since there were no plans, processes, methods or well-functioning strategies. As a result,

project managers decided on the best solutions of managing any identified stakeholder weaknesses.

However, Wolper (2004) went ahead to propose the four generic strategies of managing stakeholder relationships (p. 172). These were:

Collaborating cautiously with the stakeholders who were found to have a ' mixed blessing relationship' on the project.

Involving and trusting the supportive stakeholders

Implementing defensive strategies that are pro- active in nature for the non-supportive stakeholders; and

Monitoring the stakeholders with little/marginal relationships with efficiency.

4. 0 Project case study

4. 1 How ZFP identified and managed its key stakeholders

This being a military technology system, ZFP used a different but distinct approach of implementing the system. The process of stakeholder identification was the third in its project implementation stages after the definition of the strategic issue and the determination of underlying factors. The following is a detailed analysis of how ZFP carried out this important but mostly overlooked process of project implementation.

The company project implementation committee started by identifying the key stakeholders. In doing this, the committee categorised the stakeholders into two broad categories. These were the primary and secondary stakeholders.

The following were identified as belonging to the primary stakeholder category:

- Customers or users of the FIS system (Saudi Arabian air force soldiers)

- Project managers, supervisors and engineers from ZFP and RSAF.

- RSAF shareholders (all Saudi Arabian air force bases: Dhahran, Tabuk, Taif, Al Kharj and Khamis Mushait and the Saudi Government)

- Suppliers/contractors/subcontractors of hardware and any software packages

- Project ' steering' committee

- Primary stakeholders were considered as those individuals or groups who had key interests in the FIS project. As such, they were likely to be affected by the operations in the FIS project lifecycle.

On the other hand, secondary stakeholders were described as those individuals who had no or very few interest on the FIS project. They were considered vital in this project since their actions may have, in one way or another influenced the quality of the general system that was to be developed then. For instance, the steering committee had pointed out that the Saudi Arabian media constituted a key secondary stakeholder since any negative covering on this huge public and military project might have caused great damage to the successful completion of this project. This was so because negative publicity towards the project may have raised public outcry which would have resulted in the Saudi treasury suspending the financing of this complex and multi-million FIS project.

Besides the media, other individuals or groups who made it to the secondary stakeholder category included and were unlimited to the following:

- The licensing agency (Malath Cooperative Insurance Reinsurance)
- Saudi Arabian environmentalists
- The general Saudi Public
- Professional organizations in the Saudi Kingdom for instance, Legalized Institutes for Project management in Saudi Arabia.
- Competitors (those firms who lost their bids to deliver the system)
- Anyone one who validly claimed to have a " stake" in the FIS project

Having ' successfully' identified FIS project stakeholders, the ' steering' committee left it to the project manager to analyse their influence and create a management strategy for this project. As such, the project manager, after close consultation with project supervisors, developed the following as the stakeholder analysis and management strategy:

Stakeholder(s)

Interest/Issues of concern

Action (s)

Saudi air force soldiers, RSAF shareholders, management teams and project engineers

They were to be the key users of the system and as such were to provide a supportive relationship. Were low as potential threats but high on ensuring potential co-operation.

Since they had a supportive relationship, their relationship management was likely to be managed on a rare basis. ZFP was to involve these supportive stakeholders in all its relevant project issues.

The licensing agencies, environmentalists, professional organizational, competitors and the general Saudi public

These were to present three types of relations; mixed blessing, non-supportive and marginal stakeholder relationship. As a result of these relationships, they were to constitute high potential threats and thus needed high potential co-operation from the project managers to address their hidden and bad intentions.

These categories of stakeholders were to be managed through cautious, monitoring and proactive defence strategies. Besides using these strategies, generic strategies, most appropriate to any new diagnostic category, was to be adopted. For instance, instead of ZFP defending itself against negative publicity, it was to develop a high quality system at an affordable competitive price. The quality of the FIS system would thus speak for itself leading to the non-supportive relationships losing their credibility in their efforts to dispute the project

Table 2 showing how ZFP analysed and developed stakeholder management strategy

4. 3 How stakeholder expectations affected the successful delivery of the project.

As noted earlier, the declaration that a project was successful can only be justified if the specific project clearly answered to the needs or expectations of most, if not all, stakeholders. In this technology project, the identified primary and secondary groups of stakeholders had their own unique expectations which were clearly and appropriately addressed by the overall project manager (with the assistance of the ' steering' committee members).

5. 0 A discussion of my experience

5. 1 Identification of key stakeholders

As previously highlighted, the ' steering' committee that was chosen to oversee the implementation of this huge IT project had, in liaison with the project manager, held several sessions in the initial stages upon which key FIS project stakeholders were identified. From the workshops held, it was established that two categories of stakeholders claimed ownership to this project. These were the primary and secondary stakeholders.

Primary stakeholders were constituted by Saudi air force soldiers, RSAF shareholders, project management, project engineers, project suppliers, contractors and sub-contractors amongst others.

Secondary stakeholders were constituted by the licensing agency (Malath Cooperative Insurance Reinsurance), environmentalists, professional organizational, competitors and the general Saudi public.

5. 2 Understanding key stakeholder expectations

Other than the RSAF's managing providing a detailed description of the requirements of the FIS system that was to be developed, the project manager and the ' steering' team had to do their best to ensure that additional funds were provided to the various phases of the project on a need basis. Moreover, the management from both companies were frequently updated on the status of the FIS project amongst other stakeholder expectations. In the end, a hi-tech Facilities Information System was delivered, installed and commissioned to the delight of the many project stakeholders.

5. 3 The assessment of key stakeholder influence

The FIS project ' steering' members and the overall project manager carried out a comprehensive analysis of the two categories of stakeholders. This was done with the main intention of determining their influence and the need to counter it. During this analysis stage, four stakeholder relationships were identified by the management team. It is from these relationships that the influences of these stakeholders were determined. The two types of relationships were:

The supportive relationship which was constituted by all the primary stakeholders as listed above. This category of stakeholders posed a low potential threat to the success of the FIS project since they fully supported the aim and goals of the FIS project. They thus worked hard to help achieve the project aim and goals.

The non-supportive relationship was made up of a few secondary stakeholders for instance the competitors. They formed a most distressing relationship and as such were high potential threats.

5. 4 management of key stakeholder influence

In managing the influences of key stakeholders, the ' steering' committee members decided to use a collaborative and proactive defence to address the influence of the non-supportive stakeholders. In adopting this strategy, the management intended to turn the negative non-supportive relationship into a supportive stakeholder relationship. For example, when environmentalists tried to inquire on the suitability of the FIS system in conserving the environment, the ' steering' committee took it upon them to organize a consultative and awareness forum where this specific stakeholder was comprehensively updated on the strengths of the FIS system in conserving and preserving the environment. At the conclusion of the forum, all stakeholders had joined the supportive stakeholder relationship.

The influences of supportive stakeholders were addressed through a strategy that was dubbed as " trustworthy involvement". This strategy placed little attention to the management of these stakeholders since they posed a low threat to the survival or successful completion of the FIS project.

5. 5 Understanding the organisational culture

Having established the above stakeholder management strategy, ZFP held meetings and reviewed organizational policies. This was carried with the main intention of understanding RSAF's organizational culture. From the reviewed reports and the observations made, it was established that most air

force soldiers in the four airbases were technology ' gigs' and as such, would comfortable interact with the high-tech FIS system that was being developed.

5. 6 Understanding national culture characteristics of its team members and identified key stakeholders

Being a Saudi Arabian technology firm and boasting a hundred percent Saudi workforce, ZFP did not experience difficulties in understanding cultural characteristics of the Saudi Kingdom. The ' steering' committee had noted that most Saudis were tolerant, self-directed, efficient, logical, task-oriented, multi-tasking, collaborative, team-players and entrepreneurial. These characteristics were manifest in most stakeholders and were even identified by the project manager as the key strengths that propelled the FIS project to emerge a success.

5. 7 How my observations compared with the literature

The author had reviewed a lot of literature both from the class lectures and electronic sources. This literature had comprehensively covered amongst others the following objectives:

To study some of the stakeholder concepts

To understand the nature of stakeholder engagement in various projects

To clearly define who the stakeholders were and go ahead to state their role in project implementation

To understand the various stakeholder influences and how stakeholder management strategies were developed to counteract the established stakeholder influences.

To define national and organizational culture and to establish their link with stakeholder management.

Having participated in almost all project phases and keenly observed the various project activities, the author highlight that ZFP, as a reputable technology firm, was worth its reputation as one of the best Saudi Arabian technology firms. This is because of the systematic manner in which its employees implemented the various project phases. For instance, before identifying the key stakeholders, the ' steering' team had clearly stated and established the strategy for this project. This had been followed by a comprehensive review of the factors influencing the project.

The stakeholder management, though overlooked in most worldwide projects, received its value of attention with key stakeholders being clearly identified, their analysis being carried out and a management strategy established to counteract their influences. All this matched the concepts studied in the literature review.

5. 8 Effective implementation of the project

As the saying goes, it is always hard to achieve 100 percent success in any (project) endeavour. Despite the FIS project being declared a success, it should be noted that this project, if objectively analysed, had some weaknesses in its implementation stages. The following recommendation can

be made on the stakeholder and culture management phases; which were the key themes of this study:

The project management team should specifically identify the key stakeholder in any future project. This will help the management to carry out comprehensive analysis of the specific stakeholders. As such, they will adequately propose as many options of managing their influences. This is vital because it was noted that the management team had generalized some of their stakeholders. For example, instead of just listing competitors as secondary stakeholders, they should have gone ahead to identify who constituted these technology competitors. For instance, The Consolidated Contractors International Company had in many cases emerged as the greatest competitor to ZFP. There was thus need to establish a management strategy that could counteracted its influence in such multi-million technology projects.

Conclusively, it should be emphasized that the presented case study has reviewed theoretical and highlighted the observations from a practical perspective. Through theoretical literature review, the author had the opportunity to expound on his knowledge on the categories of individuals that summed up the project stakeholders. Furthermore, the author found out that rational approach to stakeholder management involved exhaustive identification of stakeholders through mapping of their project roles.

To add, the idea that the implementation of suitable communication processes to projects with multiple stakeholders reinforced my knowledge

that communication was the key aspect of winning the support of project stakeholders.

In the end, in identifying the limitation of this study, the author points out that the observations made in this project were restrictive in nature. This is because the author, being a learner, was not granted permission to study all project aspects due the restrictive measures that accompanied this military project. There is therefore need for further research to examine relationships between performance and corporate actions, key aspects which have been studied on a sketched outline in this case study.