

Global Project Management

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PMG 661

Lecture 2



Stakeholders and Communication Channels

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Stakeholders and Communication Channels

According to the PMBOK® Guide, stakeholders are, ‘persons and organisations such as customers, sponsors, performing organization and the public, that are actively involved in the project, or whose interests may be positively or negatively affected by execution or completion of the project.’ (PMI, 2004). The ICB defines stakeholders as, ‘people or groups, who are interested in the performance and/or success of the project, or who are constrained by the project’, preferring to employ the term ‘interested parties’ (IPMA, 2006).

Stakeholders and Communication Channels

For most projects, the project manager can increase the chances of success by correctly managing the stakeholders' needs, expectations and influence. The level of commitment of key stakeholders will determine the success or failure of certain projects which involve organizational change or have an important social, political, economical or environmental impact. Knowing the stakeholders' expectations and requirements is fundamental to define the quality standards and requirements for the project and the products or services to be delivered.

Stakeholders and Communication Channels

Project managers must know their stakeholders, understand the communication channels between them and develop a communication strategy to align the needs and expectations of the interested parties, using effective communication to improve their commitment level.

Identifying the global key stakeholders

The global project manager can refer to different sources to identify potential stakeholders, depending on the project type and on the availability of information. Examples of these sources of information are:

Identifying the global key stakeholders

Senior Management – the members of the steering committee, the project sponsor and people with a large working experience of the different organisations participating in the project can identify groups of people with interest in, or who are impacted by, the execution of the project.

Global team members, with local knowledge – team members in different locations may know about local people or organisations who are interested in or constrained by the project.

Identifying the global key stakeholders

Specialists – external consultants or specialized team members usually have a deep understanding of organisations or people that may have a vested interest in the project.

Documentation – press releases, newspapers, specialized magazines, research papers, the Internet and books can be a rich source of information for external parties that are affected by or interested in the project.

Identifying the global key stakeholders

Organizational charts – the map of the organizational structure from the partners, suppliers, customers and governmental entities involved in the project can serve as a checklist to ensure the completeness of the analysis.

Lessons learned – success stories and failures from previous projects can provide recommendations for the stakeholders to analyse and manage.

Knowing the global stakeholders

The project manager can build on the local knowledge of the participants of the brainstorming session to identify and document the stakeholders' characteristics that depend on their status and geographical location, and can determine their expected behavior:

- What are the types and levels of political, social, economical or organizational power for each stakeholder?

Knowing the global stakeholders

- What is the influence level of each stakeholder? This can normally be represented by keywords (high or low) or by weighting scales.
- How the stakeholder fits in the different cultural dimensions? The dimensions evaluated in this book allied to the information provided by various team members on the different cultural patterns can be helpful when managing the stakeholders' expectations and when defining the communication strategy.

Analyzing the global stakeholders

The next step in the global stakeholder management process consists of a detailed analysis of the stakeholders' attitudes to the project. Depending on the project size and complexity, this analysis can be performed in the same brainstorming session, in another session with the same team members or in additional sessions with smaller and focused teams, for example:

Analyzing the global stakeholders

- local teams appraising the stakeholders located in their geographical areas;
- subject matter experts evaluating the impacts of the project deliverables on their areas;
- senior managers assessing the impact of organizational change initiatives.

The stakeholder commitment framework

McElroy and Mills (2000) identified that stakeholders have different levels of commitment to projects (Figure below), suggesting that communication is key to change this engagement level.

Global project managers must understand how the proper use of different communication media over distance and across cultural borders can trigger these changes:

Chapter
02

The stakeholder commitment framework

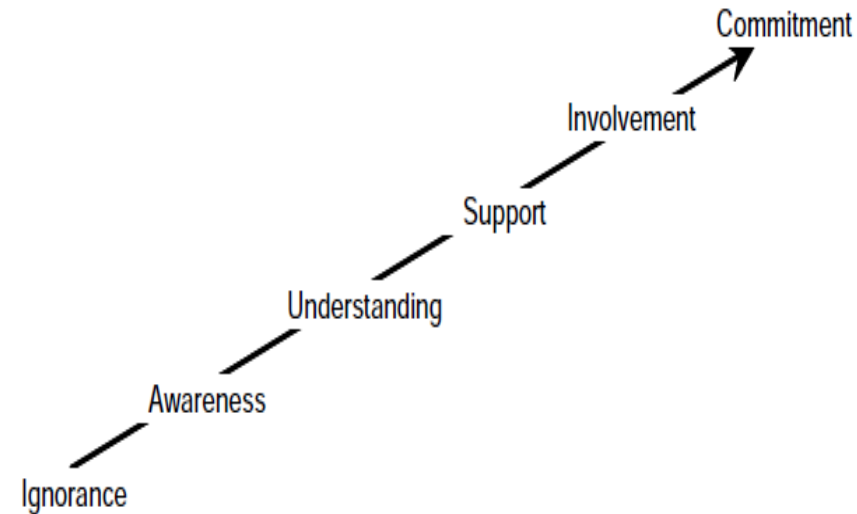


Figure 6.1 Levels of stakeholders' commitment (adapted from McElroy and Mills)

The stakeholder commitment framework

From ignorance to awareness – project managers can gain a first level of commitment by creating a project virtual room and publishing the project information, key milestones and overall project performance. In many projects, most secondary stakeholders (low levels of power and influence) can remain at this level, and receive regular project updates by e-mail, or access the project virtual room when they require information.

The stakeholder commitment framework

Understanding – project managers can create a good level of understanding on the project by organizing local meetings in key locations and visiting key stakeholders at project onset, and by broadcasting regular updates during project execution.

The stakeholder commitment framework

Support – the project team can obtain the support of key stakeholders by fostering debates and brainstorming over distance for strategic discussions. Senior stakeholders can be invited to give feedback on the project communication strategy and to provide suggestions and steering on important decisions.

The stakeholder commitment framework

Involvement – the key team members must be involved in the planning phase and in the preparation of important project components, such as the schedule and risk log. The project manager must continue involving these team members in all important steps, when main changes occur and on problem-solving activities.

The stakeholder commitment framework

Commitment – a consistent involvement of the project stakeholders in meetings and informal discussions will develop a high-level of commitment during project execution, simplifying the monitoring and control activities of the project manager. The commitment is often carried over to other projects, once the trust between the project manager and the stakeholders is established

Defining strategies to change stakeholders' commitment levels

After the stakeholder analysis discussed previously, the register will contain the current and desired stakeholder position. According to the power, influence, cultural patterns, objectives, requirements, reactions, challenges and opportunities, the project manager can determine the strategic actions the project team can take for each stakeholder, in order to increase their knowledge level and move stakeholders to the desired position, thus increasing the success rate of the project.

Defining strategies to change stakeholders' commitment levels

Based on all these aspects, the project team can decide on how to raise the effect of positive influences from key allies, how to reduce opposition from key opposers and how to enhance the influence of neutral stakeholders.

The project manager must evaluate the strategies according to their cost and the resources involved, compared to the importance and likelihood of achieving their goals.

Completing the global stakeholder register

The project manager can then decide to have one-to-one interviews or informal discussions with key stakeholders in order to validate the information provided during the brainstorming sessions, to clarify conflicting standpoints of different team members and to obtain additional information. These interviews and discussions should be conducted face-to-face, mainly when the project manager is meeting a stakeholder for the first time.

Completing the global stakeholder register

The outcome of the analysis described in this lecture is a complete stakeholder register, which will be part of the communications management plan. The project manager can now define the process of maintaining the register, by specifying:

Completing the global stakeholder register

The update frequency – determines how often to have meetings to review and update the stakeholder register.

The ownership – defines who will monitor the changes on different items on the register (outside the regular meetings) and perform the updates.

The confidentiality – controls who can have access to read the information on the stakeholder register.

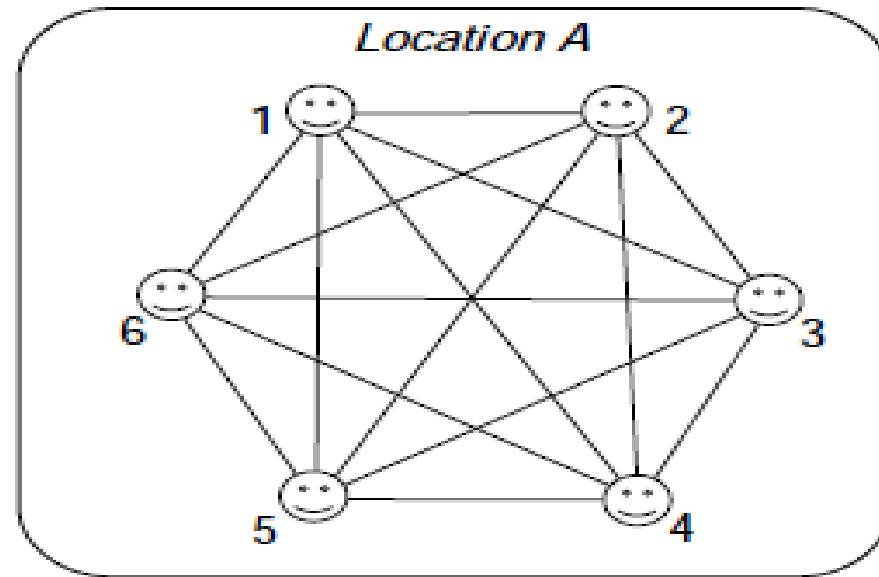
Global communication channels

The PMBOK® Guide suggests that, ‘the project manager should consider the number of potential communication channels or paths as an indicator of the complexity of a project’s communications’. The number of effective channels must be reduced by identifying the required communications for project success and creating clear guidelines.

Global communication channels

The formula to calculate the total number of communication channels in a project is: ' $n(n - 1)/2$ ', where n is the number of stakeholders. In the example in Figure below, there are six stakeholders, with a total of 15 communication channels: $(6 * (6 - 1))/2 = 15$).

Global communication channels



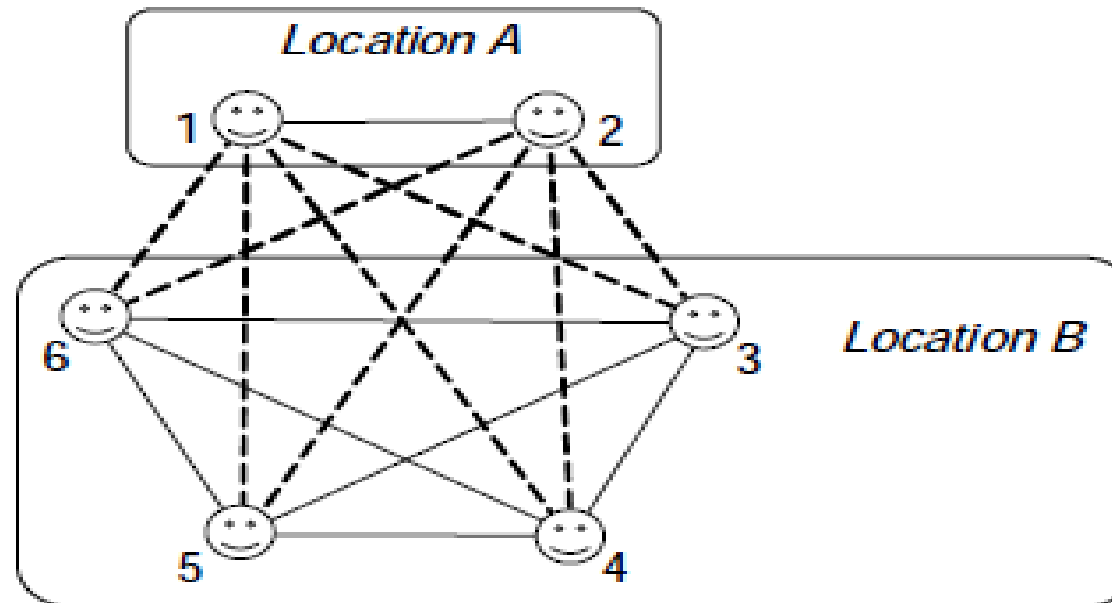
Communication channels in a traditional project

Global communication channels

The number of potential channels crossing national borders will indicate the complexity level of communications on a global project. the communication across borders is more complex, as there are natural barriers from cultures and time zones that can create misunderstandings. More preparation effort is then required for efficient communication. In Figure below, the six stakeholders are distributed in two locations, and eight of the 15 channels are crossing country borders (represented by dashed lines).

Chapter
02

Global communication channels



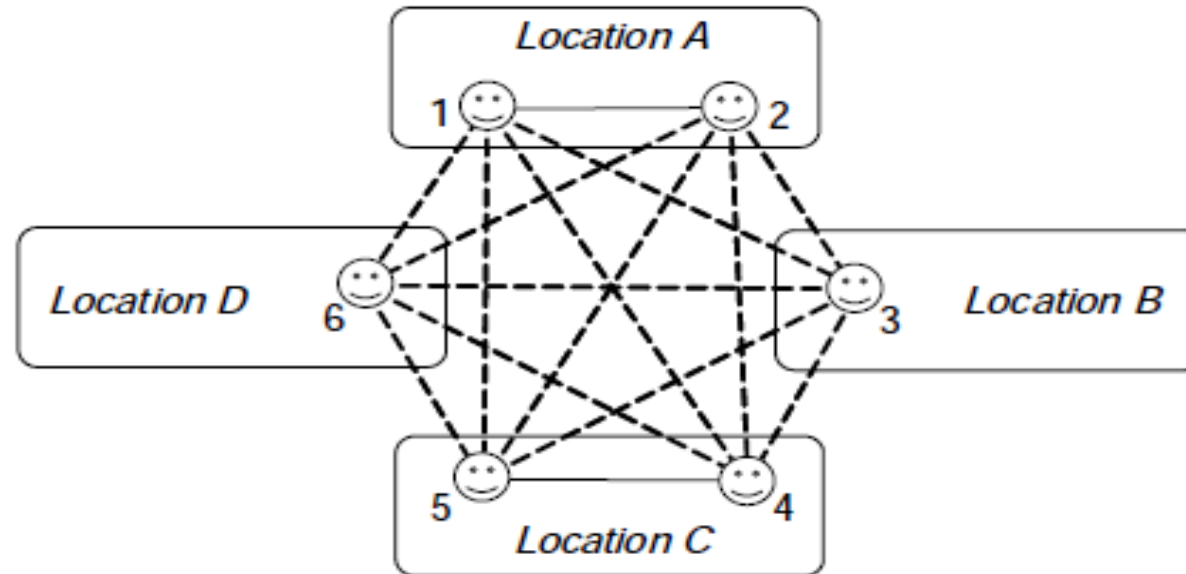
Communication channels on a global project, two locations

Global communication channels

The complexity of communications on this project tends to be higher than in the previous example . If the same six resources are distributed over four different locations, as shown in Figure below, the number of communications across borders is increased to 13, on a total of 15 channels. The complexity of the communications is expected to be even higher in this case, as very few communications will benefit from the face-to-face contact.

Chapter
02

Global communication channels



Communication channels on a global project, multiple locations

Global communication channels

The number of effective communication channels can be reduced by evaluating different project structures and implementing project coordination roles. As an example, considering again a project with six stakeholders distributed over two locations (Figure below), the project manager (stakeholder number 6) can assign the team member 1 to coordinate all activities on location A. The number of effective communication channels is reduced from 15 to nine, and the number of remote communications is reduced from eight to two.

Global communication channels

Of course, this is theoretical as there are other factors to be considered and project teams are often more complex than this example. However, it shows the importance of understanding the communication channels, their impact on the project complexity and the importance of the recommendations to improve the communication across cultural borders.

Chapter

02

Resources:

Global Project Management

Communication, Collaboration and Management Across Borders

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Thank You