THE EFFECTIVENESS OF PROJECT MANAGEMENT BY STAKEHOLDERS IN ENHANCING PROJECT AND STAKEHOLDER MANAGEMENT

HAMID ALADPOOSH

UNIVERSITI TEKNOLOGI MALAYSIA
THE EFFECTIVENESS OF PROJECT MANAGEMENT BY STAKEHOLDERS
IN ENHANCING PROJECT AND STAKEHOLDER MANAGEMENT

HAMID ALADPOOSH

A thesis submitted in fulfilment of the
requirements for the award of the degree of
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I declare that this thesis entitled “The effectiveness of Project management by stakeholders in enhancing project and stakeholder management” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature :  ..................................................
Name : HAMID ALADPOOSH
Date :  
I dedicate this dissertation to my wonderful family. Particularly to my understanding and patient wife, Mrs. MarYam Salimi, who has put up with these many years of research, and to our precious daughters Miss Hanich and Miss Samaneh who are the joy of our lives.

I must also dedicate this work to my terrific father, Mr Mohammadreza Aladpoosh and my beloved mother, Mrs. Zahra Golroo, both of whom believed in diligence, science, art, and the pursuit of academic excellence.
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ABSTRACT

Many projects fail to achieve their objectives due to weaknesses in stakeholder management (SM). This research addresses the features of a project stakeholder management (PSM) framework. The lack of formal SM in projects and the weaknesses of the qualitative methods of SM are two important issues that are reported in the literature. This research proposes a new framework to address these two issues, which is namely Project Management by Stakeholders (PMBS). The study used a survey open-ended questionnaire followed by on-site personal semi-structured interviews. The research instrument was pre-tested by five academicians and SM experts. Purposive sampling was employed in choosing the twenty participants due to their SM knowledge, practice in Project Management (PM) and availability. Content Analysis method was used to analyze the collected data. The validity of the research was established through the triangulation of methods and sources. This research reveals that unlike conventional wisdom, scope management and SM intertwine thus; PM should play an interface role between them. This research contributes to an enhanced knowledge of SM and PM by developing a new PSM framework that it provides an integrated approach to address the unity of the project needs against the multiplicity of the stakeholders need. Adoption of the new comprehensive PSM framework will improve the management of projects and their stakeholders. The findings of the research will help to bridge the gap between PM and SM.
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LIST OF SYMBOLS

Apmn - Adapted project management needs
Asn - Adapted stakeholder (Ips) needs
CPMN - Classified Project Management Needs
CS - Classified Stakeholders
CBS - Contracts Breakdown Structure
CTR - Cost, Time, Resource Catalogue
EV - Earned Value Technique
EQ - Emotional Intelligence Quotient
E&C - Engineering and Construction
Ips - Identified Project Stakeholders
Ipn - Identified project need and product needs
IAP - Inspection Activity Plan
IQ - Intelligent Quotient
K.O.M - Kick-off Meeting
L.O.I - Letter of Intent
M.O.A - Memorandum of Understanding
M.O.M - Minutes of Meeting
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<td>PMBOK</td>
<td>Project Management Body of Knowledge</td>
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<td>PMBS</td>
<td>Project Management By Stakeholders</td>
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<td>PMI</td>
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<td>PMS</td>
<td>Project Management System</td>
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<td>PSM</td>
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<td>PT</td>
<td>Project Team, Project technical team</td>
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<td>RAM</td>
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<td>SWP</td>
<td>Specific Work Package or Specific Work Packages</td>
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<td>SSN</td>
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## 1 INTRODUCTION

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CHAPTER 1

INTRODUCTION

This chapter introduces the professional context that is currently used in managing projects and stakeholders. This chapter also addresses the existing problems in that context, highlights some important questions, and describes the research scope, aims, and objectives.

1.1 Purposes of the Study

Project management (PM) is a complex subject because of the temporary endeavors, unpredictable behaviours, and interdisciplinary issues in projects. Many researchers examined these issues from several perspectives. This study addresses the project stakeholder management (PSM) and some related issues such as stakeholder theory, satisfaction, and contribution in managing projects.

The PM literature reports the gaps in the lack of specific factors on the efficiency of stakeholder management (Yang, et al., 2009a). By looking at the textbooks, journals, and standards such as A Guide to the Project Management Body of Knowledge (PMBOK) a comprehensive stakeholder management (SM) framework is a notable absentee. There are two important issues. Firstly, projects
are important for survival and growth of organizations, and any failure can raise problems in achieving the objectives (Cleland and Ireland, 2007). Secondly, stakeholders are an important success factor in project performance. Thus, the interest of stakeholders needs to be answered (Johansson, 2008).

Although these issues are important in projects, but the experimental data are controversial and there is no general agreement (Yang, et al., 2009b). The main purpose of this study is to introduce a new PSM framework in managing stakeholders satisfactorily. The objective is to explain how an effective relationship among stakeholders can improve the project implementation and PM (Karlsen, et al., 2008).

1.2 Problem Statement

Organizations perform the work to achieve their competitive objectives by projects (Olander, 2007; PMI, 2004). Projects are temporary initiatives (PMI, 2008) and it is vital to identify their stakeholders (Young, 2006). Stakeholders play a main role in project development (Karlsen and Asem, 2002). Therefore, their interest is important to support and ensure the success of projects (Bourne, 2005; Cleland and Ireland, 2007). Stakeholders have vital position in organizations, and stakeholder management is recognized as a primary tool in managing them (Abdullah and Ramly, 2006). The management of stakeholders helps organizations to meet their mandates and fulfill their missions (Bryson, 2004). Despite the fact that the project success is important to carry out the organizational objectives (Cleland and Ireland, 2007; Zwikael and Smyrk, 2011), however, most projects face to unexpected variance, overlapping executions, and commitment gaps (Al-Khafaji, et al., 2010; Ibrahim, 2006). In the project management literature, most failures are related to stakeholder community and their relationships (Meredith, et al., 2008). In the existing literature, PM is defined as applying a systematic approach to project
activities to meet project objectives and stakeholder satisfaction (PMI, 2008). Although stakeholders contribute in projects, most research in PM domain has been done to review and define a specific stakeholder (Achterkamp and Vos, 2008). These researches explain the individual characteristics of some stakeholders in detail, with very little focus on stakeholder interactions. The existing approach is incomplete. Therefore it has some effects such as imposed extra time and cost. These effects are indicating that a new PM approach is necessary (Abdullah and Ramly, 2006; Yang, et al., 2009b) to reduce the project failure and increase the organizational success. In the new approach, SM shall consider a wide verity of different conditions, natures, and deliverables of projects (Takim, 2009). Stakeholders are often in conflict with each other due to their variance of opinions in organizational missions, visions, strategies, and priorities (Bourne, 2005). It is unlikely that all stakeholders can fulfill their needs (Olander, 2007).

Therefore, it is concluded that mutual understanding about stakeholders and their relationships need to be recognized as a central part of the project and being constantly managed.

1.3 Gap in Current Practice

Articles from different PM knowledge areas indicate the key role of stakeholders in projects’ achievement (Littau, et al., 2010). Stakeholders are a strategic part in managing project (Smith, 2002). However in the literature, their involvement is not widely considered as a success factor. Further, there is no clear role for SM in projects (Achterkamp and Vos, 2008). Despite the fact that the importance of SM is recognized, however this recognition is not well supported by current SM frameworks (Bourne, 2005). The majority of existing studies have mentioned insufficient SM frameworks. These frameworks do not support stakeholder’s relationships and their needs. They are unable to identify the influence
of stakeholders, and expedite their relationships in practice (Yang, et al., 2009b). The existing SM frameworks use a qualitative perception of stakeholders importance rather than a quantitative analysis (Fletcher, et al., 2003). These frameworks are centralized in identifying stakeholders and analyzing their differentiations. Unfortunately, project managers identify only a few stakeholders due to time constraints (Bourne, 2005). They adopt these stakeholders needs and project objectives in some important items, and coordinate their community in general (Yang, et al., 2009a). SM is a random process (Karlsen and Asem, 2002). Importantly in many projects, a formal and systematic SM is not existing (Payne, et al., 2005).

The interactions among stakeholders is not considered in the current PM literature (Chircu, 2008). A critical review of SM has not yet appeared. Researchers are applying different SM frameworks but their focus is not sufficient to reveal the existing problems on stakeholder issues (Yang, et al., 2009a). The literature has been concluding that more efforts should be made to provide a new insights into PSM (Karlsen, et al., 2008). There is a necessity for some simple and very practical ideas (Agle, et al., 2008; Al-Khafaji, et al., 2010; Yang, et al., 2009b) to identify stakeholders and make effective relationships among them.

A gap that has been identified in the PM literature is that projects need innovative SM frameworks to manage both project deliverables and stakeholders expectations (Al-Khafaji, et al., 2010; Damian, 2007). This research tries to address the gap and proposes an improved alternative for one of the existing frameworks.
1.4 Research Questions and Plan

Defining the questions is the most important step in a research (Yin, 2008). This study will therefore address the following research questions:

A. What are the features of a project stakeholder management?
B. How do the implementation of integrated framework of SM and PM can increase the success of project?
C. What would be the response of the current stakeholders in using the new framework, and their perceptions in its influence on their performance?

The main issue in this regards is the lack of an integrated framework of SM and PM to establish a traceable linkage between stakeholders’ satisfaction and work progress in a project (Rowlinson, et al., 2010). This research studies the existing frameworks to diagnose their weakness and proposes an improved alternative. (This research plans to focus on a successful PM approach and investigates the SM frameworks in projects.)

1.5 Research Aim, Objectives, and Scope

Researchers look to a factual context when relevant evidence does not exist to answer their questions (Yin, 2008). This research aims to develop a new integrated SM framework for those projects, which are performed by different key stakeholders. The research objectives are as follows:

I. To investigate current SM practices and effective SM features.
II. To develop a new integrated framework and detail design of its components and operation.
III. To evaluate the feasibility of using the new framework via current key stakeholders reactions and present level of skills.
The scope of this research is bounded in PSM issue. It is dedicated to the practitioners in Engineering, client organizations to develop a new framework for enhancing the project and stakeholder management efficiency.

1.6 Structure of the Thesis

This thesis has six chapters as shown in Figure 1.1. Chapter 1 describes a review of the thesis, research backgrounds, and introduces the problem statement; research aims, objectives, and scope of the study.

Chapter 2 reviews the existing literature, and it addresses the gaps, examines two different schools of thoughts in SM. This chapter compares the existing SM frameworks, explains the premises for PSM framework, and it reveals the important factors which influence the new PSM. Finally, this chapter introduces the theoretical framework for a new PSM.

Chapter 3 presents the overall methodology approach, research purpose, research design, research instrument, and research survey population. Further, the data analysis and research reliability and validity of the findings are described.

Chapter 4 starts with proposing adjustments to the Sutterfield framework. Then, the conceptual framework, the detail design, and the operational instruction for new PSM framework are explained.

Chapter 5 begins by discussing the existing practice in project, PM, and it continues by examining the new PSM framework and it’s applicability by its
feasibility in existing situations. Then, this chapter presents the analysis of collected data and reports on the ranked findings. Chapter 6 concludes the research contribution in the SM and PM literature, the research limitations, and recommends further research and practice.

**Figure 1.1:** Structure of the Thesis
REFERENCES


