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The role of social networks theory and methodology for project stakeholder management

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Abstract

Stakeholder management is a key area in the management of projects. Correctly identifying key players, managing them and influencing them is crucial for the success of projects and programs. Often though, social networks and management literature has demonstrated that the process of work and ideas do not necessarily flow through organisational hierarchy, but rather through informal networks. In this paper, we discuss an overview of the stakeholder management approaches used and some of its limitations. We propose the use of social network theory and methodology is suggested as a viable perspective for stakeholder identification, analysis and management because of its theoretical and methodological rigour and its ability to provide insightful visualisations and useful network metrics to identify key influencers, bottlenecks, informal groups and so on.

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1. Introduction

There are numerous definitions of the term ‘stakeholder’. Friedman and Miles (2006) present a summary of at least 55 definitions of the term ‘stakeholder’, demonstrating the profusion of perspectives and contexts the term can take. Despite much debate, the generally accepted definition of ‘stakeholder’ is ‘any group or individual who can affect or is affected by the achievement of the organization’s objectives’ (Freeman, 1984, p. 46). In project

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management, project stakeholders are “individuals, groups or organizations who may affect, be affected by, or perceive themselves to be affected by a decision, activity, or outcome of a project” (PMI, 2013). As at 2013, the Project Management Institute (PMI) has added stakeholder management as its tenth knowledge area in its fifth edition of the Project Management Body of Knowledge (PMBOK) Guide. This signifies the growing importance of this knowledge area – both from a practitioner and academic perspective. It documents the concept of stakeholder management as “including processes required to identify the people, groups or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution” (PMI, 2013, p. 391). It also adds “while some stakeholders may have a limited ability to influence the project, others may have significant influence on the project and its expected outcomes. The ability of the project manager to correctly identify and manage these stakeholders in an appropriate manner can mean the difference between success and failure”. Thus, the notion of stakeholder management is crucial to the extent that it can make projects go – or stop. In the following sections, we discuss extant stakeholder management approaches, its limitations, social network theories and how its metrics and concepts can be applied for better stakeholder management.

Nomenclature

PMBOK Project Management Body of Knowledge
 PMI Project Management Institute
 SNA Social Network Analysis

2. Stakeholder Management Approaches: Identification & Analysis

Generally, to identify stakeholders, the aspect(s) of the system, problems or issues in question needs to be defined. This is because issue definition leads to stakeholder identification. As relevant issues are identified and mapped out, one can then start the stakeholder identification, prioritizing and classification process for future involvement in the project.

2.1. Stakeholder Management Approaches in Traditional Management

According to organizational studies and management literature, a number of stakeholder management approaches have been suggested for both identification and analysis of stakeholders. The classic model is proposed by Freeman (1984) which adopts a organization-centric perspective showing how the firm needs to manage relationships between primary and secondary stakeholders in the value creation process as depicted in Fig. 1.

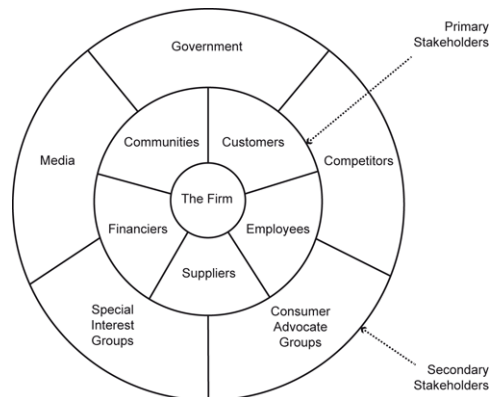


Fig. 1. Value Creation for Stakeholders (Freeman, 1984)

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