

# An empirical investigation into different stakeholder groups perception of project success



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## Abstract

Organizations use projects to manage customized, one-off events across a wide range of functions. Project management is an essential operational tool and process that is utilized to effectively and efficiently manage resources, tasks and activities, and associated timelines. The purpose of this paper is to investigate the possibility that failure is a result of different interpretations of the criteria and factors used for success by multiple stakeholder groups. Currently, there is no recorded theory to determine project success within the project management literature, which includes both the perspective of multiple stakeholder groups and shared use of success dimensions for a given project. This omission is the basis of the current work, which explores the impact of using all stakeholder views as opposed to a selected few to define project success. The research outcomes are important for informed managerial decision making that enables the minimization of major financial losses.

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## 1. Introduction

### 1.1. Background

The Standish Group (2012) survey found that 18% of projects fail and 43% were challenged. In KPMG's (2013, p. 11) survey, they noted that "project activity is on the increase and so are failure rates" with only 33% of respondents agreeing that their project was completed on budget, 29% on time and 35% to scope, this was compared to the 2010 survey whereby 48% were on budget, 36% on time and 59% to scope. Despite these statistics, project activity is increasing across all sectors of the economy. KPMG (2013, p. 17) noted that "54 percent of organizations surveyed completed more than 21 projects. This is a significant change from 2010, where in response to the same question, 98 percent of those surveyed reported completing only five projects or fewer". Further, project management is criticized for being practitioner oriented and lacking rigor, basis in literature, focusing mainly on technical tools, such as critical path analysis (Turner, 2010). This study is important as it aims to provide a

rigorous approach based in literature that will align stakeholder views to reduce project failure rates.

Previous work identified a post-positivist structured approach to recognize gaps in research and create interview questions for future empirical work. These papers investigated the stakeholder perception of project success in the literature and how this was measured through current methods and models. It was concluded in the author's previous work that the perceptions of success by stakeholders are significant to the final project judgment and therefore, warranted investigation.

The reviewed literature revealed that the most cited instrument used to assess project success is Pinto and Slevin's (1987) quantitative 'diagnostic behavioral instrument'. Their instrument has been developed over a years by numerous authors (see Jugdev and Müller, 2005, for a review) to identify significant key dimensions for project success. The author's previous work reviewed this and additional methods that have been used to measure project success and identified areas that have previously been excluded for empirical research into multiple stakeholder groups' perception of project success that could be applied to projects. The measurement methods could be traced back to the 'diagnostic behavioral instrument' of Pinto and Slevin (1987) to

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measure project manager's perception. However, it was noted that this instrument dates back to 1987 and has been used widely, but has not been adapted to take account of the various different stakeholder groups which affect a project's outcome as a success or failure. The previous study identified new areas for investigation in their tool of benefit to the stakeholder group, client/customer specific issues and time/cost/quality and suggested interview questions for empirical work.

Whilst it is recognized that other studies (Metcalf and Sastrowardoyo, 2013; McKenna and Baume, 2015) have offered methods for stakeholder groupings, the aim of this study is to offer an instrument based on a rigorous approach, to examine multiple stakeholder perception of project success, from stakeholders other than the project manager. This will determine the reasons for the apparent high failure rate of projects. Specifically it will achieve a greater understanding of how senior management, project core team and project recipient stakeholder groups perceive project success and how this perception contributes to its achievement. This understanding aims to enable those, who embark on projects, to manage multiple stakeholder expectations more effectively, and thereby increase the number of successful projects.

This article provides empirical research to create a proposed survey for wider data collection to establish how the selected dimensions are recognized as important by the different stakeholder groups. The purpose is to achieve a greater understanding of how project success dimensions can be measured, to facilitate a shared stakeholder view to increase project success rate.

## 1.2. Project success in the literature

As mentioned, previous work identified and defined the dimensions of project success, the stakeholders identified and measurement methods in the literature. A summary will be presented here; however, the previous papers should be referred to for evidence.

### 1.2.1. Summary of stakeholder's perception of success

The main theme found common to five stakeholder groups (project manager, client, owner, user and project team) was communication. Four stakeholder groups (project manager, client, sponsor and user) considered setting and meeting a schedule as essential for measuring and understanding project success.

Identifying and agreeing objectives/mission, stakeholder satisfaction, makes use of finished product/acceptance and cost/budget were the third most frequent. Finally, project manager competencies and focus, the project delivering the strategic benefits and top management support were recognized in two stakeholder groups, which were related to project manager, organization and senior management. This is consistent with there being less empirical research conducted into the organization and senior management perception of success.

The groups with most success dimensions in common were client and user (success dimensions — communication, time, stakeholder satisfaction, makes use of finished product/acceptance and cost/budget), which was expected, as there is overlap when defining client and user. There were four success dimensions in common between project manager and user/

client (success dimensions - communication, time, stakeholder satisfaction and cost/budget). There were fewer success dimensions in common between project manager and sponsor/owner, which could account for the project manager needing 'top management support'. The results revealed that the project manager and project team (success dimensions — communication and identifying/agreeing objectives/mission), and project team and user/client (success dimensions — communication and makes use of finished product/acceptance) only had two success dimensions in common. It could be assumed that these would be the closest groups, as the project manager would inform the project team of the success dimensions and these would be filtered to the user/client. There was only one success dimension in common between those in senior management (sponsor, owner) and the client/user (sponsor and user success dimension – time; owner and user success dimension – communication), which could result from the project manager dealing with the client/user and not senior management.

The main cause for concern were the stakeholder groups where there were no success dimensions in common (client and executive, sponsor and owner, sponsor and executive, sponsor and project team, owner and executive, executive and user etc.), which were all linked to senior management (executive, sponsor, owner). This highlights the differences in perception between the three main stakeholders of senior management, project core team and project recipients. This identifies three stakeholder groups for further investigation and it reveals a gap to examine the three stakeholders in detail, to evaluate why perceptions of success dimensions differ and whether any differences lead to the apparent high rate of perceived project failure.

### 1.2.2. Appropriate measurement method

Nine recurring methods for measuring project success were determined from the literature examined. Of these, the most cited method was Pinto and Slevin's (1987) 'diagnostic behavioral instrument' (Jugdev and Müller, 2005). An additional eight methods were identified where each author developed their own method for measuring success (Davis, 2014, 2016). Despite subsequent publication of alternative methods to measure project success, it is evident that they can be traced back to the original measurement tool of Pinto and Slevin (1987). This was evidenced through comparison of Pinto and Slevin's instrument with the success dimensions from the additional methods. Two main themes associated with success were determined, from the additional methods, which emphasized the stakeholders involved in a project and the project structure. All the theoretical models and theories presented had similar views of involving elements across the organization, but failed to present options for how the stakeholder perception of success can determine a project's outcome. The micro and macro views and balanced scorecard were concerned with the organization as a whole, KPIs need to be set and used with other measures, square root method, four universal dimensions of success and seven influencing forces present success dimensions to interpret success, four conditions of success presents a theory and maturity models are inflexible, looking at improving the whole organization's maturity. This

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