



Addressing stakeholder complexity and major pitfalls in large cultural building projects

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Abstract

Many countries have put substantial investment into constructing large and iconic cultural buildings because they are the emblems of civic pride, as well as tools to generalize cultural and economic benefits. However, stories of project failures are often heard in this rapid cultural building boom. In fact, many pitfalls in developing large cultural building projects (CBPs) are associated to the stakeholders since they are the actual central figures of a project. As such, addressing stakeholder complexity and understanding major pitfalls in CBPs from stakeholder perspective are crucial to the successful management of these projects, yet relevant empirical studies remain lacking. To fill this gap, case study of a large performing arts center was conducted. A holistic stakeholder analysis approach, which applies both rationalistic methods (e.g. social network analysis) and empirical methods (e.g. survey and interviews), was adopted to address stakeholder complexity in the case. Three major pitfalls in large CBPs were identified, including ‘developing accurate end users’ requirements’, ‘balancing between aesthetics, functionality and resources’, and ‘leadership team makeup, vision, charisma and learning stance’. Their underlying causes and possible solutions were discussed. This study contributes theoretically by illustrating a holistic approach of analyzing and addressing stakeholder complexity, and provides practical value by understanding the pitfalls of CBPs from stakeholder perspective.

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1. Introduction

Large cultural building projects (CBPs) are the delivery of major cultural facilities constructed for accommodating artistic and civilizing activities of cultural organizations, as well as cultural enjoyment of the public and community; they mainly include performing arts centers, theaters and museums (Woronkiewicz et al., 2012). Pursuant to a study by the Cultural Policy Centre, a building boom of large CBPs was first seen in the United States since 1994 until 2008 — over US\$16 billion were spent on the creation, expansion and renovation of cultural infrastructures

during this period (Woronkiewicz, 2012). Subsequent upsurges of CBPs appear in other parts of the world which have been undergoing unprecedented economic growth, e.g. the Middle East and China — in the single year of 2011, 390 museums were newly constructed in China (Cotter, 2013). This rapid cultural building boom is still expanding (Taylor, 2016), and the trend may be attributed to the evolving nature of CBPs; where they are now expected to generate substantial social and economic benefits, apart from merely maintaining the cultural vitality of a society. Many cultural infrastructures have been espoused by civic leaders as civic identity strategies to elevate the pride and international stature of a city; besides, they are often publicized as scenic spots to attract more visitors and new businesses (Woronkiewicz et al., 2014). Notwithstanding the seemingly apparent benefits, stories of the hurdles and failures in CBP delivery have been recently reported, e.g. substantial project delays, significant cost overruns of nearly

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twice the budget (Agovino, 2014), poor stakeholder engagement (Pogrebin, 2012), stakeholder dissatisfaction with project outcomes (Woronkiewicz et al., 2014); and in fact, many project problems are sourced from or related to the project stakeholders.

Every CBP development involves a wide range of stakeholders who have diverse backgrounds and interests, and are interdependent owing to intricate relationships and interactions. In fact, stakeholders are the central figures of a CBP as well as chief determinants of its successful delivery (Lin, 2014), since cultural infrastructure developments are often ‘human-driven’ and ‘human-oriented’. However, the high complexity of project stakeholders has been a hurdle in establishing stakeholder common ground and collaborations, leading to many challenges and pitfalls of CBP development which are actually emerged from or associated to stakeholders. As such, analyzing and addressing stakeholder complexity is a potential way to improve CBP management and outcomes.

In the context of CBPs, stakeholder complexity can be viewed from three aspects. The first aspect considers ‘who the stakeholders are’. According to Project Management Institute (1996), stakeholders are any “individuals and organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or successful project completion”. It is important to identify as complete as possible all involved project stakeholders. However, ‘hidden’ stakeholders who have little apparent impacts or being remote from core project team are often discarded to the edge of stakeholder analysis process. The second aspect considers stakeholder relationships and influences. In CBPs, stakeholder groups are interdependent due to multiple formal and informal relationships across functional and organizational borders (Meese and McMahon, 2012). These relational structures are where the values, perceptions and behaviors of stakeholders emerge. As such, it is vital to analyze the interactions and impacts of stakeholders from network perspective. The third aspect considers stakeholder concerns, which refer to stakeholders’ issues or vested interests in a project, which can be impacted favorably or unfavorably by the execution or completion of project (Li et al., 2012). Insufficiently accommodating the concerns of stakeholders can weaken their collaboration and result in resistive force. It is therefore crucial to completely identify the conflicting interests of stakeholders and decide which concerns to be addressed at higher priority. Although time, cost and quality have been conventionally regarded as the factors of successful project delivery, the most critical determinants in a CBP are the human participants, that is, the stakeholders (Lin, 2014). Stakeholders’ concerns, relational structures and influences should be fully analyzed to address stakeholder complexity of cultural projects (Yang, 2014); without which, the causes and potential solutions of major pitfalls in CBPs can hardly be identified from stakeholder perspective.

The rapid boom and failing stories of large CBPs indicate an urgent imperative to holistically address stakeholder complexity and to gain a comprehensive understanding on the major CBP pitfalls from the stakeholder perspective. However, stakeholder analysis research remains lacking in the field of CBP management. To bridge the gap, this study aims to address stakeholder

complexity in large CBPs using a holistic approach. To achieve this aim, there are two research questions to be answered:

- (1) *Having said that a large CBP comprises numerous stakeholders, relationships, concerns, and project problems, how to holistically analyze them and systematically determine the critical ones (i.e. the important stakeholders, key concerns, and major project pitfalls)?*
- (2) *What are the important stakeholders, key stakeholder concerns, and major project pitfalls in a large CBP development?*

This study attempts to answer these questions by using a holistic stakeholder analysis approach which combines both analytical perspectives of empiricism and rationalism (Markie, 2013; Yang, 2014). In this approach, *social network analysis* (SNA) (a rationalistic method) is adopted to identify, analyze and prioritize stakeholders and stakeholder concerns in the project; while *interview* (an empirical method) was used to identify and facilitate a thorough understanding on the major CBP pitfalls from the stakeholder perspective. Case study of a large performing arts center was undertaken to illustrate the complete stakeholder analysis process as well as to address the stakeholder complexity in the project. Albeit that the case study findings might not be generalized across the industry due to limited context, this study reveals possible reasons behind the failing stories of large CBP development and suggests recommendations.

This paper begins by discussing the definition, perspectives and current methods of stakeholder analysis, with an emphasis on SNA through an overview of the social network theory and its applications in construction project management. The research methodology section provides detailed explanations on the case study approach; the procedures to collect, analyze and corroborate social network data; and the processes of prioritizing concerns and understanding project pitfalls. The next section presents the SNA results of a case study, which is a large performing arts center for Chinese opera. Subsequently, the findings on major CBP pitfalls, their underlying reasons and possible solutions obtained from interviews are discussed in-depth; followed by a conclusion.

2. Literature review

2.1. Stakeholder analysis — conception and methods

Stakeholder analysis refers to the processes or approaches to address stakeholder complexity in a project environment. A growing research interest on this topic has been seen since the 1990s, where many scholars attempt to define and propose practical methods for stakeholder analysis. Gupta (1995) defined it as a systematic means to identify ‘who can make an influence’, depict the interrelationships of these parties, and specify their concerns. Similarly, Yang et al. (2011) regarded it as an indispensable part of stakeholder management that identifies stakeholders and their interests, evaluates stakeholders’ interactions and measures their influences. In fact, many previous studies are in common by stating stakeholder and interest

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