Project change stakeholder communication

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Abstract

This action-based qualitative case study explores how the project communication routines affect stakeholder engagement during change management process and evolve project culture. With an inductive design, this research studies change communication practices in two different case contexts. The results underline the fact that an effective communication ensures stakeholder participation in the change management processes through teamwork and empowerment, whereas lacking communication routines lead to a rational and straightforward project culture where task performance and efficiency are preferred over stakeholder involvement. Theoretical results suggest that project communication planning requires more attention on the know-how of stakeholders than the current stakeholder evaluation models instruct.
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1. Introduction

During past two decades the infrastructure projects constituted 3.8% of world GDP, and this contribution is estimated to increase up to 4.1% by 2030 (McKinsey Global Institute, 2013). Meanwhile, changes are experienced in almost every infrastructure construction project (Ibbs et al., 2007). These changes are among the major reasons for project time delays and over budget (Hwang et al., 2009). The rate of project change increase also the complexity (Zhang, 2013). Most of the complex projects involve a large number of stakeholders (Muller and Turner, 2007). Ignoring stakeholders may become the main reason for a complex project failure (Kangas, 2011; PMI, 2013b). It is widely accepted that the stakeholder consensus and satisfaction is achieved through communication (PMI, 2013b). Realistic stakeholder expectations can be spotted

through effective communication routines (Mok et al., 2015). Insufficient communication and lack of stakeholder integration are among the most common drivers for unattended change causes and un-controlled change impacts in a project (Zhao et al., 2010). The development of effective communication routines between stakeholders requires considerable attention and efforts during the project development and planning phase. The stakeholders may have different national and organizational cultures (Prajogo and McDermott, 2005), which affect the project communications. Loo (2002) identified that the project cultures are not stable as they change during time (Loo, 2002). The effective communication routines (Bakens et al., 2005; Kerzner, 2009) help to maintain stakeholder trust (Turner, 2009) and to keep track on the project culture changes (Marrewijk, 2007) in order to prevent the development of dysfunctional culture (Bate, 1994).

Researchers have found that organizational culture types can influence positively or negatively on knowledge sharing, depending on the culture type: clan, adhocracy, market, and hierarchy (Suppiah and Sandhu, 2011) or innovative, competitive, bureaucratic, and community (Cavaliere and Lombardi, 2015). In this paper, we have focused on five different types of culture

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(compare Suppiah and Sandhu, 2011; Bate, 1994; Prajogo and McDermott, 2005; Zuo et al., 2009):

- developmental/ innovation culture where the organization focuses on developing the task and pursues to find new solutions to the challenges
- group culture where decisions are reached at lower level
- hierarchal project cultures where communication routines are restrained
- rational culture focuses on reaching the goal as efficiently as possible
- dysfunctional culture where some of the signs are visible: the internal competition is harder than outside competition; change resistance is hard; people depart from organization; strategies change based on management or culture fad, bureaucracy reigns supreme, innovation is not valued

According to our literature review, most of the proposed change management models do not adequately focus on the role of knowledge of stakeholders, although many (e.g., Kotter, 2007) recognized the importance of change communication. Change management systems, with lacking communication routines, are practical, however bureaucratic top level decision-making systems. The objective of this paper is to explore the role of effective communication and stakeholder engagement in project change management process. Engagement of stakeholders necessitates their participation and involvement (Deegan and Parkin, 2011). The research questions of this paper are as follows:

Q1: How do the different project communication routines affect stakeholder engagement during the change management process?

Q2: How do the different communication routines and cultures facilitate stakeholder engagement in the change management process?

By answering these questions, this research aims to clarify the role of communication routines during project change management processes. The two action-based case studies demonstrate how effective communication routines specifically designed during the project planning phase effect on stakeholder engagement during change management processes throughout the project life cycle.

This paper begins with a brief overview of change management, communication, and culture, as well as the role of stakeholders in changes. This is followed by the description of research method and case study. Communication routines and stakeholder culture are described for both the cases. Then the role of case-specific communication and culture in the change process is discussed. The paper concludes with discussion for further research and contribution of this paper.

2. Literature review

2.1. Change management in projects

Projects, although temporary endeavors, undergo changes during the life cycle. Most of the time, project changes are caused due to imperfect planning, lacking stakeholder involvement and improper integration of project work packages (Zhang, 2013). Still, almost all the construction projects undergo planned or unplanned changes (Ibbs et al., 2007), which is a major reason for their cost and time overrun (Hwang et al., 2009). Such changes are considered as variation or modification from the original scope, cost, time schedule, and agreed quality (Hao et al., 2008). Typically, a project may undergo change due to various factors. Examples of these causes include but are not limited to the following factors: wrong interpretation of scope; conflicting stakeholder expectations or understanding about project functionality; change in regulations, laws, and standards; wrong project assumptions; financial uncertainities; political uncertainties; technology improvements; human behavior-related uncertainties; ommissions during engineering; mistakes during construction; value engineering; delayed deliveries from the sub-contracors and vendors; non-conforming components and equipment; inclement weather and other force majeure condition; and incomplete or conflicting contract clauses (Love et al., 2002; Zhang, 2013; Hao et al., 2008). Concurrent occurrence of any two or more of the mentioned cause factors increase the importance of change in complex project setups (Zhang, 2013) and hence the change impacts. However, the earlier the change cuase factor is identified during project life cycle, the easier it would be to manage its impact (PMI, 2013c).

Changes have direct and indirect impacts on the project outcome (Moghaddam, 2012). Direct impacts of a change may include additional work, deletion of work, demolition of work already done, re-work, specification change, time lost in stopping and restarting current task, revision in project reports, drawings and documents, reschedule to make up for the lost time, etc. Meanwhile, indirect impacts of a change can include the following: stringent stakeholder relationships, decrease in the interest and engagement of resources, loss of productivity during construction, increased risks related to coordination and scope interfacing, change in the cash flows, and increased critical tasks in project time schedule. However, identifying change causes and minimizing their negative impacts require considerable efforts. Lack of effective communication and lack of stakeholder integration are among the most common drivers for unattended change causes and un-controlled change impacts in a project (Zhao et al., 2010). Therefore, project stakeholders should be keen to understand the need for the changes and so to minimize their negative impact. This can be achieved by establishing change management communication routines from the project planning phase.

A list of identified project change cause factors and change impacts are included in Table 1.

Project change causes and effects are known already; however, referring to the Engineering and Physical Sciences Research Council, Moghaddam (2012) mentioned that there are no widely accepted standard and comprehensive change management methods in construction projects. Likewise, the authors of this paper believe that project management literature offers several methods and systems for the change management (PMI, 2013c: Zhao et al., 2010; Park and Pena-Mora, 2003; Moghaddam, 2012; Hao et al., 2008; Ibbs et al., 2001). For example, Hao et al.'s