



Project manager's perception of the local communities' stakeholder in megaprojects. An empirical investigation in the UK

Francesco Di Maddaloni*, Kate Davis

Kingston University London, Kh-BS2013, Kingston Hill, Kingston upon Thames, Surrey KT2 7LB, United Kingdom

Received 4 July 2017; received in revised form 2 October 2017; accepted 22 November 2017

Abstract

Based on an exploratory study conducted in the UK using thematic and cluster analysis, this paper investigates how the local communities' stakeholder is perceived, defined and categorized by project managers in major public infrastructure and construction projects (MPIC), and how their involvement could improve the performance of these projects. Due to the perceived benefits shortfall of MPIC, well organized actions from 'secondary stakeholder' groups have led to delays, cost overruns, and significant damage to the organization's reputation. Stakeholder management is an essential process which aims to maximize positive inputs and minimize detrimental attitudes by taking into account the needs and requirements of all project stakeholders. However, current project stakeholder management mechanisms are reactive rather than proactive, mainly offering an instrumental perspective, which aims to make the stakeholders comply with project needs. Therefore, a broader inclusiveness of secondary stakeholders who could be harmed by the organization's strategy, such as the local communities, is required to enhance the performance of MPIC.

Crown Copyright © 2017 Elsevier Ltd. APM and IPMA. All rights reserved.

Keywords: Megaprojects; Managing secondary stakeholders; Local community inclusiveness; Perception of local community; Project performance

1. Introduction

1.1. Background

Mega construction projects are massive investments of infrastructure, initiated by the government, which have extreme complexity, long schedules, immense lifespans and significant social impacts (Flyvbjerg et al., 2003; Sun and Zhang, 2011). Megaprojects attract high social-economic and political interest, and high industrial and public attention (Turner and Zolin, 2012). Many countries see major public infrastructure and construction projects (MPIC) as a tool to enhance their status in global political and economic systems, satisfy human, economic

and social needs, and elevate a country's social image (Jia et al., 2011). Therefore, it is not surprising that more and larger MPICs are being proposed and introduced as the preferred delivery model for goods and services (Flyvbjerg, 2014) with the global infrastructure market continuing to grow between 6 and 7% yearly to 2025 (PwC, 2014). This is the biggest investment boom in history (The Economist, 2008), with estimated spending of US \$3.3 trillion a year for the period 2016 to 2030 (McKinsey Global Institute, 2016).

However, megaprojects performance in private and public sectors have seen little improvements in recent years and their inability to meet basic targets of cost, time and benefits realization is well documented (Flyvbjerg, 2014; McKinsey Global Institute, 2016). Decisions made by project managers have significant impact on the strategic value delivered by megaprojects in the construction industry (Eweje et al., 2012), but organizational strategy frequently fails to achieve the desired results and,

* Corresponding author.

E-mail addresses: F.Dimaddaloni@kingston.ac.uk (F. Di Maddaloni), kate.davis@kingston.ac.uk (K. Davis).

historically, megaprojects have performed poorly in terms of benefits and public support due to their impact on people and places and wastage of public resources (Bruzelius et al., 2002). This study aims to provide constructive insights which will be useful for managing the often underestimated political and social issues around megaprojects and the social interactions in which they are embedded. Therefore, by focusing on benefits realization as an important element for improving project performance (Laursen and Svejvig, 2016; Turner, 2014), the authors draw on stakeholder theory which is a recognized framework for analyzing the behavioral aspects of the project management process (Sutterfield et al., 2006). By positioning the study towards a normative or ethical perspective to stakeholder management (e.g. Cleland, 1986; Eskerod and Huemann, 2013; Freeman, 1984; Freeman et al., 2007, 2010; Hart and Sharma, 2004; Huemann et al., 2016), this paper reinforces the need for a broader inclusiveness of (project) stakeholders essential to enhance the benefits of MPIC projects.

Taking into account the needs and requirements of both primary and secondary project stakeholders is recognized as an essential element to achieve better project performance (Cleland, 1986; Donaldson and Preston, 1995; Eskerod et al., 2015a, 2015b; Freeman et al., 2007; Olander, 2007; Sutterfield et al., 2006). However, despite the fact that in the last decade secondary stakeholders have received greater attention both from practitioners and academics in the stakeholder management arena (Di Maddaloni and Davis, 2017), research has principally focused on those actors important to the project's economic interests, such as suppliers, sponsors and customers (Aaltonen and Kujala, 2010; Eskerod et al., 2015a, 2015b; Hart and Sharma, 2004). According to Eskerod and Huemann (2013), this approach offers an instrumental perspective to stakeholder management which aims to make the stakeholders comply with project needs and where stakeholders are often seen as provider of resources. This study aims to provide a better understanding towards a more inclusive and holistic approach for engaging with a broader range of stakeholders (Eskerod and Huemann, 2013; Freeman et al., 2007, 2010), who could be harmed by the organization's strategy while executing MPIC. By meeting or exceeding their needs and expectations and balancing the projects' economic, ecologic, and social interests, it is believed that benefit realization has a great impact for improving the performance of MPIC projects.

However, it was noted that the focus on MPIC benefits has been associated with national government level or large public or private organizations (Mok et al., 2015; Turner, 2014), where the local context of MPICs and related stakeholder management practices are often overlooked and therefore, warranted investigation (Di Maddaloni and Davis, 2017). While the secondary stakeholders and the local community within them possess the attribute of legitimacy, because they are the risk bearers in the projects (Olander, 2007), little attention has been given to the stakeholder local community both from practitioners and academics in the project management arena. In spite of their ability to impact and stall the projects through well organized protests (Bornstein, 2010; Olander and Landin, 2005; Teo and Loosemore, 2014, 2017), the local community seems often to be excluded from communication plans and their inputs and needs

remain not well perceived by project managers in the initiation phase of MPIC projects (Aaltonen and Kujala, 2010; Olander and Landin, 2008). This can be related to the limited time spent on the front end of a project (Pinto and Winch, 2016) and the rush towards project approvals (Flyvbjerg, 2005) which, in turn, prevents a solid stakeholder identification, classification and assessment strategy and the engagement of a broader range of stakeholders being in place.

This study presents empirical findings of investigations into the role of the local community as a growing important class of stakeholders (Aaltonen, 2011; Xue et al., 2015; Zhai et al., 2009) and how their management and engagement could improve project performance by reducing benefits shortfalls in MPIC projects. However, literature has underlined the findings of Dunham et al. (2006), which claim that there is a lack of definition of the local community in the stakeholder management field. This limitation is even more evident in the context of MPIC projects, preventing stakeholder management practices at the local level being effectively captured (Di Maddaloni and Davis, 2017). Nevertheless, it also precludes a stakeholder analysis being successfully accomplished and supportive in project management decision making and strategy formulation (Aaltonen, 2011; Yang, 2014). For instance, the aim of the study is to offer an in-depth investigation of the role covered by the local community stakeholders in MPIC projects to both academics and practitioners. This will present the reasons for the apparent lack of public and local support that megaprojects historically suffer. Specifically, it will achieve a greater understanding of how project managers define and categorize this class of stakeholder and how this perception contributes to the development and approval of more ethical and sustainable megaprojects. This aims to enable those, who embark on projects, to work for a greater number and viable projects over time by bringing their benefits equally at the local, regional, national, and international level.

1.2. Stakeholders management in megaprojects

The literature shows how one of the major challenges affecting large infrastructure developments is a lack of understanding of the various interest groups, the motivation behind their actions and their potential influence during the project life cycle (IFC, 2007; Miller and Olleros, 2001; Winch and Bonke, 2002). During MPIC projects, stakeholder needs are often different and disputes occur, a vast number of interests will be affected both positively and negatively throughout a MPIC project and the representatives of these interests are referred to as the project stakeholders (Olander, 2007). Therefore, listening and responding to stakeholder interests and concerns is a process that helps project managers maximize stakeholder positive input and minimize any negative impact (Bourne and Walker, 2005; Cleland and Ireland, 2007).

Although many researchers have emphasized the importance for effective communication through empirical studies concerning stakeholder management and relationships in megaprojects (Feige et al., 2011; Lizarralde, 2011; Pinto et al., 2009); problems arising from stakeholder management in MPIC projects have only been

Download English Version:

<https://daneshyari.com/en/article/6748041>

Download Persian Version:

<https://daneshyari.com/article/6748041>

[Daneshyari.com](https://daneshyari.com)