The Project Management Stakeholder Circuit: A New Paradigm for Stakeholder Management

By D. J. McCord and Eric Wright

The recent fifth edition of the PMBOK (2013) now includes an entirely new process group called ‘project stakeholder management’ (PSM). A key activity identified by PMI is developing “appropriate management strategies for effectively engaging stakeholders in project decisions and execution” (PMBOK, 2013, p. 391). Currently, in most organizations, this is accomplished by having project stakeholders attend all or most project meetings.

While this ubiquitous practice may seem to be the most effective way to engage project stakeholders, there are two problems with this approach. First, project meetings are typically not the best venues for project stakeholders to provide the needed guidance, direction, and leadership. Second, project stakeholders are usually not the best participants for project meetings, either in terms of content or process. While the more obvious consequence of these problems is the significant waste of time and money that results from taking stakeholders away from critical management tasks to attend these meetings, that is not at all the most important impact. A far more significant impact comes from the opportunity costs associated with the failure of projects, resulting from having the wrong people (i.e. project stakeholders) involved in the tactical planning and implementation of those projects. These opportunity costs can prove crippling to an organization at best, and lethal at worst.

Therefore, this article suggests a converse approach to stakeholder management, one designed to save time and money, and more importantly, to get projects completed on time, on budget, on scope, and with high quality deliverables. The central theme of this approach is to keep project stakeholders out of most project meetings, except for those in which the stakeholders play a key role. Some examples of the kinds of meetings that benefit from stakeholder presence would be project ‘kick-off’ meetings and project ‘wrap-up’ meetings in which team-members are recognized for their contributions. However, the process we recommend does, indeed, provide stakeholders with continuous input and interaction, based on their identified organizational and individual needs and expectations. Further, it actively engages stakeholders in project decision-making, as well as the activities identified as PSM processes 13.2, 13.3, and 13.4 in the fifth edition of the PMBOK (2013).

One might say that the key to managing anyone (stakeholders included) is to identify and meet the needs of that individual. Additionally, in the business context, we must simultaneously meet the needs of the organization. If the needs of the stakeholders and the organization can be met without the stakeholders being physically present in most of the project meetings, the savings in terms of time and money are obvious. This article will ‘lead off’ with a description of the needs of the stakeholder vis-à-vis those of the organization at large. It will then present a backdrop for these needs derived from the field of behavioral theory. Finally, it will provide a model for addressing these needs while minimizing the direct, physical participation in project meetings by the stakeholders themselves.

The needs of stakeholders for a project can be categorized into three areas: Functional, Organizational, and Psychological. Let us first consider the ‘Functional’ area. The ultimate functional need of the stakeholder in terms of potential outcomes of a project meeting is to have the actual project documents (or “artifacts”) themselves. Another functional need of the
stakeholder is the opportunity to provide guidance to the project’s team members and key players.

The two key stakeholder needs in the ‘Organizational’ area can be described as oversight (suggesting knowledge and awareness of activities) and control (suggesting an influence over activities, leading to productive results). These are essentially what the organization as an entity needs the stakeholders to have.

The third category of needs for stakeholders is the ‘Psychological’ area. Stakeholders, in order to ‘feel good’ about a project, need three things. They need the feeling of being informed, the feeling of being in control, and the feeling of being valuable.

The theoretical background for the third category of needs described above comes from Rudolf Dreikurs. Dreikurs proposed a list of four ‘true goals’, three of which relate to this discussion. Those are: to feel powerful (in a productive, cooperative way), to feel valuable, and to feel a sense of belonging. The first two of these goals relate fairly clearly to the needs mentioned above. The goal of having a sense of belonging can be satisfied through being engaged with others in an endeavor, such as a project. How that engagement can occur without attending most of the actual project meetings is about to be addressed.

Let us now describe the components of a proposed project meeting strategy. First, the Project Manager / Facilitator engages the stakeholders in a collaborative process of creating the Meeting Plan for an upcoming project meeting. This occurs in the Meeting Pre-Briefing. The essential parts of the Meeting Plan include: the list of objectives and deliverables for the meeting, the list of attendees, the agenda (the actual chronological flow of events in the meeting), the specific meeting effectiveness measurement approach, and the strategy for providing feedback to the stakeholders. While the Meeting Plan just described may sound quite elaborate, it can actually be fairly brief and streamlined. Next, the project meeting itself is held, with an attendee list based on the specific knowledge and skills needed for that particular meeting’s process. Following the meeting, the resulting documents or artifacts are delivered to the stakeholders for their review.

There is one other piece to the project meeting strategy being proposed here that makes all the difference. It involves a set of three sequential briefings. The first briefing, already mentioned above, is the pre-briefing. The second briefing is a debriefing with participants, internal to the actual project meeting, occurring at the end of the meeting. It is designed to capture not only what happened during the meeting, but also how the attendees felt about the process, and how they feel about where they stand now. Input provided by the attendees during this debriefing is summarized by the facilitator into a Debriefing Summary.

This summary serves as the basis for the third briefing. Incidentally, while the specific stakeholder needs that are addressed by each of these components will be described in a moment, the mention of feelings in the internal debriefing acknowledges the third category of stakeholder needs. Following the actual meeting, a follow-up back-briefing is provided to the stakeholders, along with the actual project documents or artifacts. The focal point of the back-briefing to stakeholders is the Debriefing Summary derived from the debriefing of the participants. The primary purpose of the back-briefing is to help the stakeholders feel ‘as if they were there’ at the meeting. It allows the stakeholders to both know what has been done (accomplishments), and to feel a part of what is going on (activities).
We will now map the various components of the proposed project meeting strategy to the stakeholder needs identified above. The Functional need for properly completed project documents is met by a well-facilitated meeting, with deliverables clearly identified in the Project Meeting Plan, and the right attendees with the right skills to accomplish the tasks outlined in the agenda. The opportunity for stakeholders to provide guidance comes through the collaboration between stakeholders and the meeting facilitator in creating the Meeting Plan.

The Organizational need for oversight (awareness of activities) is addressed through the follow-up ‘back-briefing’, and through a review of the deliverables (documents and artifacts) provided. The need for control (influence over activities) is addressed initially through the Meeting Plan creation process and the pre-briefing, and then reinforced through the follow-up ‘back-briefing’. The stakeholders will still have, of course, the other standard tools and mechanisms to maintain control of organizational activities. Incidentally, one example of a meeting to which stakeholders should be invited might be a certain type of informational meeting, that is, a review of a project document.

What is arguably the most powerful phenomenon that makes it difficult to keep stakeholders out of project meetings (except the few meetings where they are truly needed) is the array of Psychological needs. The need for the feeling of being informed is addressed by well-delivered follow-up ‘back-briefings’, based on Debriefing Summaries derived from well-conducted internal debriefings. Stakeholders have legitimate needs for feeling in control, and feeling valuable to the project and the organization. These needs are met first through the Meeting Plan creation process and ‘pre-briefing’, which enables the stakeholders to “be active supporters of the project and to help guide activities and project decisions” (PMBOK, 2013, p. 406). The ‘back-briefings’ further address these Psychological needs.

Clearly, planning and accomplishing stakeholder management is about creating relationships with them that satisfy their respective needs and requirements related to the project (PMBOK, 2013). Let us conclude with an illustration, as shown in Figure 1. The feedback loop into which both the stakeholders and the project team fall is much like an electrical circuit. The stakeholders (the power source) have outputs that satisfy needs such as guidance, information, and control. Those outputs become the inputs needed by the project team (the electrical device).

The project team, and the meetings in which they participate, have outputs, such as project documents and artifacts. Equally important outputs from the team and the meetings, which become inputs to the stakeholders, are the various forms of feedback coming through the follow-up ‘back-briefings’ described. The participation in producing the inputs into the meetings, and the feedback received from those meetings, give the stakeholders the feelings of being informed, in control, and valuable.

Thus the ability of the project manager to manage stakeholders successfully in an “appropriate manner” can mean the difference between success and failure of the project overall (PMBOK, 2013, p. 391).
The shift to a new paradigm always takes time, energy, effort, and patience. It also often requires quite a bit of convincing. However, once project stakeholders throughout the span of the business landscape begin to realize the time and resources that can be reclaimed by physically attending only a limited number of high-level project meetings, those stakeholders may become the staunchest advocates for this new approach to project stakeholder management. In sum, the impact of getting project stakeholders out of project meetings will be profound: hundreds of thousands of dollars in costs saved; and hundreds of millions of dollars realized in project success.
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