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Managing Stakeholders Diversity in Determining Project Success : A Stakeholders Matrix Approach

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Abstract:

Various project stakeholders, scholars and even project management practitioners will give different views on project success for the same project. The varied views have often led to confusion and doubts as to whether project success has been achieved or not. The traditional perception of equating project success to the triple constraints of time, budget and scope has been challenged time and again. The paper explores different views on project success as espoused by various scholars and project management practitioners. A stakeholder's matrix method where the relative contribution of various stakeholders is considered is recommended. In this method the contribution of each stakeholder is considered in a power - interest matrix. The approach proposes a method that helps to accord relative recognition to various project stakeholders, provides for an objective criterion of determining project success and will enhance the participation of key stakeholders in the project management process.

Keywords: Project Success, Power- interest matrix, Stakeholders

1. Introduction

Project success has remained a controversial issue among the project management practitioners and even scholars. Dimitrios (2009) observed that one of the vaguest concepts of project management is project success. While everyone agrees that project success is important, there is no consensus on what project success really is. Various project stakeholders, scholars and even project management practitioners will give different views on project success for the same project. Cleland & Ireland, (2004), noted that since each individual or group of people who are involved in a project have different needs and expectations, it is very unsurprising that they interpret project success in their own way of understanding. Lim & Mohamed, (1999), said that for those involved with a project, project success is normally thought of as the achievement of some pre-determined project goals, while the general public has different views, commonly based on user satisfaction.

Thomsett (2002), gave a classic example of different perspective of successful project in the Sydney Opera House project, which went 16 times over budget and took 4 times more to finish than originally planned. But the final impact that the Opera House created was so big that no one remembers the original missed goals. The project was a big success for the people and at the same time a big failure from the project management perspective. On the other hand, the Millennium Dome in London was a project on time and on budget but in the eyes of the British people was considered a failure because it didn't deliver the awe and glamour that it was supposed to generate (Cammack, 2005). The varied views have often led to confusion and doubts as to whether project success has been achieved or not. The paper looks at the views advanced by various people on project success and suggests a new way where the views of various stakeholders are included. The popular views on project success are explored in the following section.

2.1. The Success of Project Management Process Viewed as Project Success

This is the most popular approach to project success and is often referred to as the traditional approach or the triple constraints approach. Under this approach Project success depends on the project management process and in particular on the successful accomplishment of the project with regards to cost, time and quality. The Project Management Institute (PMI) guide gives project success criteria to include the project triple constraint (time, cost, scope) and quality. The relationship among the parameters is such that if any one of the three (triple constraint) changes, at least one other parameter is likely to be affected. The interrelationship between the three dimensions affects the quality or success of the project. The three dimensions of time, budget and specifications are commonly referred to as the traditional view or the iron triangle (Atkinson, 1999) as presented in figure 1;

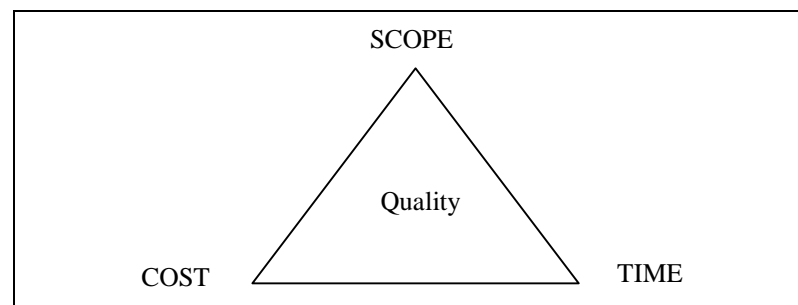


Figure 1: Iron Triangle (Atkinson, 1999)

Pinkerton (2003), observed that the three dimensions indicate the degree of the efficiency of project execution and thus their attainment can be equated to project success. The triple constraint approach features in many definitions of project success (Blaney 1989; Duncan 1987; Globerson & Zwikael 2002; Redmill 1997; Thomsett 2003).

Several criticisms have been advanced towards the traditional approach to project success. The major criticism is that this view is constructed from the point of view of the contractor and therefore needs additional criteria to take consideration of other stakeholders (Wateridge, 1998). Secondly, as noted by De barker, Boonstra and Wortmann, 2010, the criteria used is created at the definition phase of the project, a time when most requirements are unstable and therefore not really suitable for judging the success of the project. Further, the traditional view is derived from engineering disciplines where projects can be defined with specificity. This may not necessarily be the case for projects in other fields. Culler (2010), points out that the view does not provide guidance to the project manager or other stakeholders on how to trade off the components of the iron triangle. While acknowledging that project success is dependent on how the triple constraints are balanced, the triangle does not provide a formula of how to do the balancing. Finally, the traditional view ignores the fact that the project does not exist in isolation. Cueller (2010), points out that Project success is bigger than simply delivering a well engineered artifact that meets the stakeholder's specifications; it must also include how the organization will use the artifact to perform its work.

2.2. Product Success Viewed as Project Success

The other popular view on project success is based on the success of the final product. Many scholars are of the view that any project is only good if it is functional (Anastasios, 2007). In addition, the functionality should have a positive contribution to the organization. Anastasios (2007), noted that a project is a success if its created product adds value to the client, considering the cost to the client at the point of acceptance. Project product success focuses on the effects of the project's end product. It is about the satisfaction of users as well as meeting the organizational objectives. Writing on Information technology (IT) projects, Cuellar (2010), says that an IT project should be considered to be successful when it results in an IT enabled work system that delivers financial benefits which are in excess of the proper threshold on an Return on Investment and/or opportunities cost basis. The customers will be satisfied if the project output serves their needs by meeting technical specifications as well as functional requirements in line with their expectations. Organizational objectives are the underlying aims for an organization to start a given project which may include profitability, revenue, market share, reputation, competitive advantage, customer satisfaction etc. Various authors (Baccarini 1999; Booch 1996; Pinkerton 2003; Thomsett 2003) acknowledge that incorporating a product success component into the definition of project success is essential. Anastasios (2007) agrees with this view and adds that the most important criterion linked directly with project success is user's satisfaction.

The main criticism against this view is that it does not give consideration to the process of arriving at the product. The view that that so long as the project deliverables are satisfying the project is then successful fails to address pertinent issues in the process of undertaking the project. Issues to do with environmental sustainability, human rights, morality and ethics have evolved to be important components that cannot be wished away in the determination of project success.

2.3. Project Success as a Combination of Process and Product Success

The view that project success requires both product and process success has been advanced by several people. Duncan (2004) says that, despite the lack of consensus on what project success really is, the majority agrees that Project success requires a combination of product success (service, result, or outcome) and project management success". This is in line with the views of Baccarini (1999) that project success consists of two separate components, namely project management success and project product success.

Despite the distinction, between project management success and project product success, the successful outcomes of both of them are inseparably linked as observed by Pinkerton (2003), 'If the venture is not a success, neither is the project'. The two perspectives of project success are presented by Duggal (2010), in what he called a 'diamond of opportunity'. The diamond combines the tactical focus of project outputs on one side with strategic outlook of organisation outcomes on the other. Also included is the effective use of and compliance with governance processes and quality of delivery as shown in figure 2;



Figure 2: The Diamond of Opportunity(Adopted from Duggal 2010)

While this view presents a middle ground between the product and the process approaches it does not provide for the stakeholders involvement in determining the parameters of project success. Like the traditional method, it is not clear how the various stakeholders’ views on project success should be integrated in the determination of project success.

2.4. Summary of Literature

The literature above clearly shows that there is no agreed view on what project success is. As noted by Anastasios (2007), it is evident that project success means different thing to different people. Some see it as a consequence of successful project management process as expressed through the triple constraint. Others attribute project success to the success of the project final product in terms of functionality as well as meeting other organisational objectives. A middle ground is presented by the third view that tries to express project success as a bred between project process and product success. While each of the three views has some merit, they also have some weaknesses as expressed though the criticism. A stakeholder’s matrix method is proposed as an alternative approach to project success.

3.1. Project Success; the Stakeholders Matrix Approach

The challenge of determining project success is largely brought about by the multiplicity of interests as presented by the project stakeholder’s diversity. Quoting Anton de Wit (1988), Anastasios (2007), noted that when measuring project success, one must consider the objectives of all stakeholders throughout the project life cycle and at all levels in the management hierarchy. It is thus paramount to develop a model that not only incorporates the project stakeholders but also one that recognizes the relative significance of each stakeholder in the success of the project. The proposed stakeholder’s matrix approach is designed on this premise.

Anton de Wit (1988), recognized the importance of stakeholders input in determination of project success. Through a project success frame work, he proposed a success criterion based on project objectives which are derived from stakeholder’s interest. He recognized that stakeholder’s interests are varied and acknowledged that it appears unlikely that any project can be a complete success for all stakeholders during the entire life of the project. Despite recognizing the need to have stakeholders input in determination of project success, Anton de Wit, frame work does not show how the stakeholders shall be involved. The proposed stakeholder’s matrix approach tries to provide for this gap.

The stakeholder’s matrix approach starts by identification of the project stakeholders and their respective power and interests in the project in line with good project management practice at the project design phase. A stakeholder’s power interest tool as given by Mendelow 1991 in a desirable tool to analyse the project stakeholders. The relative significance of each stakeholder to the success of the project should be determined at this stage. In a consultative manner weights should be assigned to the various stakeholders to reflect the importance of their contribution to the success of the project. A distribution of 40%, 30%, 20% and 10 % respectively may be considered desirable as shown in figure 3;

Stakeholders Power/influence ↑	High power & low interest (30%)	High power & high interest (40%)
	Lowpower &low interest (10%)	Lowpower high interest (20%)
	Interest of stakeholders →	

Figure 3: Stakeholder’s power interest matrix(adapted from Mendelow 1991)

The weights should be further distributed among the various stakeholders in each class. Relevant indicators for monitoring the progress of the project should be established in line with the stakeholder’s power-interest matrix. The indicators will provide a basis for data collection during and after project implementation for the determination of project success. Relevant data should be collected to facilitate the computation of a project success index. The computed index should be benchmarked with a predetermined threshold to

establish the possible variances which may inform necessary action during project implementation. Upon project closure, the index will serve as indicator of the level of project success.

The stakeholder's matrix method has the advantage of incorporating the views of project stakeholders as well as their relative significance in the determination of project success. This is not only in line with good project management practice but also promotes project ownership an important component for the success of any project. Secondly, the wide consultations provided for in this approach create a room for various stakeholders to contribute to the success of the project. This unlocks the stakeholder's potential for the benefit of the project. The process of analyzing the stakeholders through the power/interest matrix helps to understand the relevance of each in the project and thus accord each one of them their due recognition in the determination of project success. This ensures that the stakeholders are well managed to the benefit of the project.

While the stakeholder's matrix approach is proposed as a better method of determining project success, it is important to note that the allocation of weights to the various stakeholders may prove a challenge. One has to rely on his own intuition in a delicate balancing act to craft an acceptable way of assigning the weights. Another challenge may be how to get a desirable success index for benchmarking. Again, the intuition of the project promoters may have to come into play.

Despite the above noted possible challenges, the stakeholder's matrix approach provides a new way of rethinking how we determine project success. The strength of this approach lies in the diversity of stakeholders included in the process of determining the success of any project. As stated by Lewis (2001), the only truly successful project is the one that delivers what it is supposed to, gets results, and meets stakeholder expectations" (Lewis 2001).

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