

Stakeholder analysis in projects

Challenges in using current guidelines in the real world

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STAKEHOLDER ANALYSIS IN PROJECTS: CHALLENGES IN USING CURRENT GUIDELINES IN THE REAL WORLD

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ABSTRACT

The authors of this paper investigated the usability of current guidelines regarding stakeholder analysis by letting four project managers apply the guidelines to their renewal projects. The project managers found several challenges in using the guidelines. Especially, the guidelines lack clarity regarding (a) how to identify stakeholders and determine their importance and (b) how to reveal stakeholders' expectations. Further, the application revealed that the project manager may not have the skills or the resources required to carry out the tasks involved in making the necessary inquiries. Therefore, the stakeholder analysis may be based on superficial rather than deep knowledge. It seems that the current guidelines should be considered as a conceptual framework rather than instructions on how to do a real world stakeholder analysis.

KEYWORDS: Project Management; stakeholder outline; commitment matrix;
stakeholder analysis

INTRODUCTION

Stakeholder management has received considerable interest in both the general management literature and the project management (PM) literature since Freeman introduced the concept in his very much quoted book “Strategic Management: A Stakeholder Approach” from 1984 [1]. In 1997, Mitchell, Agle, and Wood [2] pointed out that there has not been much research trying to test whether current theory is usable when examining real stakeholder-manager relationships.

Stakeholder management is an important issue in PM as a project can be seen as a temporary coalition of stakeholders having to create something together [3]. Building on Freeman [1], Andersen [3], p. 84 defines a project stakeholder as “...a person or a group of persons, who are influenced by or able to influence the project”. According to McElroy & Mills, stakeholder management in projects is “...the continuing development of relationships with stakeholders for the purpose of achieving a successful project outcome” [4], p. 103.

Contributions (e.g. deliverables or supporting decisions) from a strong coalition of supportive and influential stakeholders are necessary to carry out a project successfully and it is the responsibility of the project manager to ensure such contributions through management of the stakeholders. An important component of stakeholder management is stakeholder analysis [1;2;5-8]. Proponents for stakeholder analysis [3;4;9-12] argue that stakeholder analysis increases the project manager’s ability to anticipate opportunities and problems for the project at a time when the project team still has time and opportunity for manoeuvring. Accordingly, a stakeholder analysis is often carried out front end [11;12].

The question for project managers then is: How should they carry out such an analysis?

As we shall see in the following, there are theoretical contributions targeted at answering this question. However, the advice which can be found in these contributions is on a rather general level and to our knowledge the usefulness in practical settings has only been

evaluated to a limited extent. For example, Pouloudi & Whitley [13], p. 4 state that the literature “lacks a practical technique for actually identifying stakeholders”. To find directions for further development of theory on how to do stakeholder analysis, the research presented in this paper therefore aimed at uncovering challenges in making a stakeholder analysis using some of the guidelines presented in current literature.

In the following, we first look into PM literature regarding stakeholder analysis in projects. We then describe how we applied some of the guidelines from this normative theory to four projects. Then we present the findings from the application of the guidelines and discuss the findings in relation to implicit assumptions behind the guidelines. Finally, we consider implications of the findings for PM theory and practice. Throughout the paper, we use the term ‘project manager’ in a broad sense meaning that it is not necessarily the project manager in person who carries out the tasks referred to. Rather, the project manager is responsible for the tasks being carried out. We use the term ‘stakeholder’ for both individual stakeholders and a group of persons seen as one type of stakeholder.

STAKEHOLDER ANALYSIS IN PROJECTS

A central premise underlying the concept of project stakeholder management is that the project manager should make deliberate attempts to exert influence on project stakeholders so that they deliver their contributions to the project. Therefore, identification of the stakeholders and their necessary contributions is an important issue [13;14]. Another central premise underlying project stakeholder management is that project managers have limited resources and should allocate these resources in such a way that they achieve the best possible results[15]. Further, the law of diminishing returns suggests that efforts are better expended spread across a range of stakeholders than concentrated on a few, because initial efforts yield a higher benefit than will later efforts. This entails that the stakeholder analysis should

uncover how necessary the prospective contribution from each stakeholder is for the project [11] as well as the power of the stakeholders and the possibility to influence them [1]. Power in stakeholder management in projects is related to “the way the stakeholder can affect the project in case of a conflict and whether it can increase its power by cooperating with others” [11], p. 50. Along this line, Mitchell, Agle, and Wood [2] suggest that stakeholders should be categorized based on their possession of three attributes: Power, legitimacy, and urgency, and receive different amounts of attention based on the categorization. This is in line with Freeman’s [1] and later Clarkson’s [16] notion of primary and secondary stakeholders according to which primary stakeholders are essential to the wellbeing and survival of the organization and therefore, should be allocated more attention than should secondary stakeholders.

Knowledge about the importance and influence of each stakeholder is not sufficient as can be seen from the following statement:

“Effective project managers require keen analytical and intuitive skills to identify stakeholders and work with them to understand their expectations and influence upon project success. This facilitates managing a process that maximises stakeholder positive input and minimises any potential detrimental impact” [17].

For stakeholder management to be efficient, it thus also an important part of the project manager’s job to try to understand the stakeholders’ expectations. This is necessary to know how the stakeholders can be influenced so that they support and contribute to the project.

CURRENT ADVICE REGARDING STAKEHOLDER ANALYSIS

The findings from the stakeholder analysis should make the project manager capable of determining how much and what kind of attention each stakeholder should get and subsequently how to interact with each stakeholder. Based on the above and in line with

current literature [2-4;10-12;18-21], stakeholder analysis in projects requires the following activities:

- 1) Identification of the (important) stakeholders
- 2) Characterization of the stakeholders pointing out their
 - a) needed contributions
 - b) expectations concerning rewards for contributions
 - c) power in relation to the project
- 3) Decision about which strategy to use to influence each stakeholder.

Andersen et al. [11] suggest presenting the results of the stakeholder analysis in an outline like the one displayed in figure 1. In the outline, the (types of) stakeholders should be listed along with their area of interest (their stake). Further, necessary contributions along with each stakeholder's expectations in the form of rewards from the project as well as their power in relation to the project should be put in the outline. Finally, the appropriate strategy for influencing each stakeholder and the person responsible for implementing the strategy should be added.

[Insert Figure 1 about here]

The concepts in the outline are quite clear and easy to understand. They are also in line with the activities presented in the above. However, Andersen et al. (2004) do not offer much advice on how to acquire the information which is necessary to fill in the outline. We have, therefore, looked for advice regarding this in other literature. In the following, the guidelines are presented along the lines of the three activities listed above.

Activity 1: Identification of the stakeholders. Calvert [22] suggests identifying the stakeholders by conducting a brainstorm, in which names of all the stakeholders are identified. Other authors [13;23] suggest asking persons in the organisation to point out stakeholders. Further, Pouloudi & Whitley [13] refer to other authors suggesting the use of generic stakeholder lists, but criticise this approach for being too general to reveal all important stakeholders for a specific case.

Activity 2: Characterization of the stakeholders. Stakeholders have to be characterized as regards contributions needed from them, the expectations they have concerning rewards for delivering the contributions, and their power in relation to the project. Contributions can be in the form of specific deliverables, a positive attitude, or specific behaviour like making a supportive decision. Contributions in the form of deliverables can typically be found in the project mandate or in the terms of reference [3;11;12] while other contributions need to be assessed by the project manager or the project team.

One type of contribution can be supportive behaviour which is related to a positive attitude towards the project. This can be assessed in a stakeholder commitment matrix as described in McElroy & Mills [4]. The matrix contains (1) each stakeholder's commitment to the project at a given moment, and (2) the type of commitment which the project manager finds is necessary or desirable for the project to be accomplished successfully. McElroy & Mills define possible types of commitment as follows: Active opposition, passive opposition, neutral, passive support, and active support. The type of commitment can be seen as a desired contribution.

See an example of a filled-in commitment matrix in figure 2.

[Insert figure 2 about here]

There is only limited advice concerning how to acquire the information needed to characterize the stakeholders as regards commitment towards the project.

The project manager must also determine expectations and benefits desired by each stakeholder. This is the “price” that has to be paid for the needed deliverance and/or compliance from each stakeholder [12]. “Price” has to be understood in a broad sense, not only as direct monetary payment. For internal stakeholders, the payment can also be in the form of rewards like for example a salary raise, new computer facilities, professional challenges or a feeling of meaningfulness. The reward may be expected sometime in the future [24]. External stakeholders typically want other benefits, like influence on the project process or the project objectives, good-will, access to the project results, positive publicity, praise, or attention. There is only limited advice concerning how to acquire the information needed to characterize the stakeholders as regards expectations concerning rewards. However, Varvasovsky and Brugha [25] suggest the use of face-to-face interviews and questionnaires. Mikkelsen and Riis [12] propose that the project manager carries out a start up dialogue with each team member and his/her line manager in which their expectations and benefits can be assessed.

The final characterization parameter for stakeholders is the power that the stakeholders have as regards influencing the project. Mikkelsen and Riis [12] suggest that the power may be assessed by the project team and the project manager for example based on their knowledge about the stakeholders and the organizational context.

Activity 3: Decision about which strategy to use to influence each stakeholder.

Stakeholder management is about making stakeholders contribute to the project as needed.

Therefore, the strategy for influencing the stakeholders must be based on the need to alter or support each stakeholder's inclination to deliver the needed contributions and the resources required to do so. McElroy & Mills [4] can also be used for this purpose as illustrated by the arrows in figure 2. Stakeholders who are supportive are expected to be more compliant than stakeholders who are in some level of opposition. Therefore, they will need less attention than stakeholders who are powerful and in opposition.

This activity is based on the characterization of the stakeholders in activity 2 and methods for development of strategy.

RESEARCH METHOD AND CASES

Our research question regards how guidelines on how to do stakeholder analysis work in a practical setting. We decided to undertake a participatory action research project [26] since this type of research is well suited for studying development processes, and for putting research findings into immediate use [27]. Action research can be defined as ‘...research in which the validity and value of research results are tested through collaborative insider - professional researcher knowledge generation processes in projects of social change...’ [28], p. 45. Knowledge is generated through ‘collaborative communicative processes’ [28]. During the planning of the research, we discussed forms of participation and collaboration and how to balance our research interests and the project managers’ interests in engaging in the research project [29]. We decided to collaborate and communicate with project managers by acting as process facilitators [30], instructing them on how to carry out a stakeholder analysis containing the activities presented in the above and interviewing them about their experiences in using the guidelines. This way, we were able to make our professional knowledge interact with the project managers’ local knowledge [28]. This type of participatory action research is what Kemmis & McTaggart refer to as an “action science ” approach [26].

During four months, we followed four projects that were carried out at a large Danish hospital by four different project managers. All of the four projects can be defined as renewal projects as their purposes are related to improvements within the hospital that are beneficial for both patients and staff. Three of the projects concern improvements of procedures on how to treat patients. The fourth project concerns an assessment of the quality management procedures at the hospital.

The four projects were related to a single or a few departments at the hospital. They all lasted about one year (2006-2007). The project organizational form for all four projects were a weak matrix organization [31] implying that none of the project managers had any formal authority over the project team members. The project managers had to negotiate with both the heads of the departments and with project team members and other stakeholders about all resources for and activities in the project before and during the project course. Therefore, the project managers were forced to manage the stakeholders, and as a prerequisite for that, analyze them very carefully in order to be able to deliver the project outcomes. The studied projects can thus be characterized as phenomenon revealing.

We studied stakeholder analysis in the four projects by engaging in discussions with the project managers in four half-day group sessions. One author carried out the discussion while the other author took extensive notes from the discussions. The group sessions took place in a meeting room at the hospital. To facilitate the process, we asked the project managers to use some of the suggestions which have been presented in the above.

At meeting 1, the project managers presented their projects. We agreed that they should prepare a list of stakeholders to present at the next meeting in the group using brain storm. The project managers were also asked to start filling in the stakeholder outline and the stakeholder-commitment matrix displayed in figures 1 and 2.

Meeting 2 took place three weeks later. At this meeting, difficulties in filling in the matrices were discussed as well as possible benefits from doing so. After this discussion, the project managers were asked to gather the information that they felt they needed to proceed in filling in the matrices before the next meeting, which would take place three weeks later. Especially, we discussed the use of semi-structured face-to-face interviews as a means for gathering the data.

At meeting 3, we again discussed if and in what ways the stakeholder analysis matrices had helped the project managers. Special focus was on experiences gained from gathering the data necessary for filling in the matrices. At the end of the meeting, tasks were agreed for the next meeting that would take place six weeks later. Focus this time would be on discussing filling in the commitment matrix presented in figure 2. As we did not have any specific tools to offer, the project managers were free to gather information as they pleased and to develop their own tools for doing this.

At meeting 4, we discussed the experiences that the project managers had gained with the methods that they used to collect information and filling in the stakeholder outline and the commitment matrix. The purpose in the present research was to discover the challenges that the project managers found when making a stakeholder analysis and not how they would actually choose to manage the stakeholders. Therefore, we did not ask the project managers to report on how to fill in the “Strategy” and “Responsible” columns in the stakeholder outline.

The information gathering that we did in this study did not follow a straight line forward but rather went a bit forward and then returned to topics discussed early in the process. This turned out to be necessary because the projects moved forward at different paces and because the project managers kept reflecting on identification and grouping of the stakeholders even though they were supposed to focus on later activities. We consider this only natural in a

study using action research accepting that the field controls the pace and progress rather than the researcher's plan controlling the field.

We have analysed the data by reading the interview notes several times looking for illustrative statements of the experiences that the project managers had with carrying out activities that we asked them to engage in.

FINDINGS

In the following, the findings are presented along the lines of the three different activities involved in doing a stakeholder analysis. Focus is on the challenges that the project managers experienced in performing the activities. Project managers 1-4 are referred to as PM1, PM2, PM3, and PM4.

Activity 1: Identifying the stakeholders. The project managers reported that making a list of stakeholders at one point in time was not a difficult task. The list of stakeholders was generated by thinking of needed contributions and who could/should provide these contributions or would be influenced by the project in other ways. Still, the stakeholders would have liked more guidance from the literature on how to identify the stakeholders and define common areas of interest.

"How do you ensure that you make the right categories – what is it that really separates the various stakeholders? Is it how long you have been employed [in the organization]? Education? Type of staff?"

[PM1]

The project managers had particular difficulties in assessing when to treat individuals as a group and when to treat them as individuals.

"Groups do not necessarily consist of individuals with similar interests and motivation. It can be hard to know whether individuals should be treated as such or as a group".

[PM2]

The project managers further had problems making an exhaustive and clearly delimited list of stakeholders for the entire project course as they expected stakeholders to arrive and leave again during the project course.

“Actors come and go – this can be a problem in making a stakeholder analysis that is durable”.

[PM1]

“What are the project’s boundaries?”

[PM2]

The project managers pointed out that it may not be worth the effort to list all possible stakeholders as the number of stakeholders is potentially unlimited.

“Is it worth the effort to list everybody? Probably not, ...and the important thing is to find out, who the important stakeholders are.”

[PM1]

Activity 2a: Determining contributions required from each stakeholder. An important prerequisite for carrying out this task was that the project managers were able to be explicit about the support they needed from the stakeholders. The project managers reported that it was unusual for them to be this specific about contributions needed in a project. They found that it was difficult to develop a complete list of needed contributions at the front end of the project, as it was hard to imagine events and developments that could happen during the whole project course because the renewal projects had a developmental character.

“If I cannot get a “go” from the project owner, it is hard to list needed contributions”.

[PM4]

Contributions are not just deliverances but also how stakeholders take part in the project work by participating in meetings and making decisions. This kind of contribution was difficult to assess in advance. It was also hard to find the time for an initial project meeting in which needed contributions could be assessed by the project manager and the project team.

“It was very hard to find time for a project meeting as some of the project team members were busy with their daily work and preferred to meet in the late afternoon. At the same time, one of the team members [an administrative person] had to pick up her child from day care and could not stay after regular working hours.”

[PM4]

A part of defining needed contributions was to assess each stakeholder's position in the stakeholder commitment matrix presented in figure 2. The project managers reported that they had ethical dilemmas relating to explicitly categorising stakeholders as negative towards the projects, especially when it came to singling out individuals.

“It can be problematic to single out individuals who are a part of a larger group. Is it to label them – and who is eventually going to see the stakeholder categorization? It may also not be so important for the usability of the analysis – I know who they are”.

[PM1]

Activity 2b: Determining expectations and benefits desired by each stakeholder.

The project managers in this study did not know what benefits the stakeholders would expect or want from contributing to the project and current guidelines does not provide much help in solving this problem. Therefore, our discussions with the project managers focused on possible approaches to finding out which benefits stakeholders expect to get from complying to the project manager.

In the discussion, the use of questionnaires was dismissed.

“If you use a questionnaire....how do you ensure that you get honest ...and many answers?”

[PM2]

To save time, one of the project managers tried using focus group interviews to gather the relevant information. This strategy proved difficult to carry out.

“It is hard to gather the relevant people”.

[PM3]

This project manager and the other three project managers chose to carry out personal interviews with important stakeholders who were expected to be in opposition. The project managers preferred this way of gathering the needed data because the number of stakeholders was small and because they found it more personal. However, they were reluctant to approach important stakeholders who were expected to be in opposition to the project, partly because they were afraid that this would make the stakeholders even more hostile or raise their expectations to a level that could not be met. In the contrary to what was expected, the experiences were positive. For example, it turned out that the mere data collection affected the stakeholders' attitudes towards the project.

”The informants felt that the interview itself had influenced them in a positive way”

[PM3]

Instead of a one-way process (transferring information from the stakeholder to the project manager) the interviews turned out to facilitate a two-way process in which the project manager influenced the stakeholder in a positive way.

“The interviews can be used to get more than input from persons. They also get more ownership of the project”.

[PM2]

The outcome of the interviewing process was supposed to be data collection, but project marketing became a positive and unintentional by-product.

Based on the above, we can state that the project managers had positive experiences from carrying out the data collection process. However, they did not feel that the information which they gathered were fully valid as a basis for decisions on stakeholder management. Firstly, the project managers were not able to interview all relevant stakeholders, but had to sample from the groups which they had defined. In addition, the project managers had to rely on convenience or judgement sampling. Therefore, it may not be safe to generalize from the interviews.

"Another question is whether the are representative for their departments?"

[PM2]

The project managers sometimes even felt that they had to base the description of expectations on what they referred to as "mere prejudice".

"It is all guesswork. From where do I know these things? It is really all based on beliefs and assumptions".

[PM2]

In sum, the project managers found that the determination of stakeholder expectations was a very challenging task and that the information which they were able to collect did not suffice to make a valid description of the stakeholders' expectations.

Activity 2c: Determining the power of each stakeholder.

The project managers in the study based their assessment of the stakeholders' power on their intuitive judgement supported by knowledge about the stakeholders' formal and informal roles in the organization. Level of power was assessed in four categories: None, low, medium, and high. The project managers did not express any problems in making this assessment.

Activity 3: Decision about which strategy to use to influence each stakeholder. In spite of the problems encountered, the project managers all reported that conducting the stakeholder analysis had been beneficial as a basis for determining which strategy to use vis à vis each stakeholder. They especially pointed at the conscious reflection about stakeholders and the contributions needed as beneficial for the progress of the project.

"It is good to make it [the stakeholder analysis] because you get to think about some things which you would not think about otherwise. ...when you have to write things down, they might not be as you thought. You get new thoughts and reflections."

[PM1]

"It has made me more conscious about involving others [the important stakeholders] and who the stakeholders are".

[PM1]

However, the project managers also pointed out that it is not possible to make a detailed front end stakeholder analysis. They did not have the cognitive capacity to consider all stakeholders in detail, nor did they find such a detailed analysis worthwhile. Firstly, it is impossible to foresee interactions with stakeholders in the distant future. Secondly, the contributions needed from each stakeholder may vary in different stages in the course of the project and due to unforeseeable events in the project.

Further, the project managers spent quite a long time conducting the stakeholder analysis mainly because they had difficulty in getting access to important stakeholders. In some cases, the result was that they had to decide on and implement a stakeholder management strategy without having the proper information to do so because the project needed to get in motion.

Solutions to some of the challenges. The project managers indicated possible solutions to some of the challenges which they encountered in doing the stakeholder analysis.

One project manager solved the problem related to the stakeholders not finding time for participating in an interview by interviewing each type of stakeholders separately in groups and serving a meal as a gift for participating:

” I had a meeting with doctors only. Doctors often do not come to meetings for nurses and doctors. Therefore, I scheduled a lunch meeting lasting 1 hour with the doctors. And most of them came.”

[PM2]

The project managers also pointed out that it could be a solution to their own resource problem to involve others in the information gathering. This however was not considered successful by the project managers in the study.

“It is difficult to let others gather the needed data – then you loose some information. On the other hand.....sometimes it might be an advantage if the interviewer is somebody else than the project manager”

[PM3]

Project manager 4 had problems assessing needed contributions from stakeholders because she could not assemble her project team for an initial meeting due to differences in working hours. She thought that attending this meeting was a necessary minimum contribution from each team member. However, when she talked to some of the members individually, she revealed that it was actually not imperative that all the members took part in a joint meeting in which the necessary contributions from stakeholders would be confirmed. As a consequence of this, she adjusted her view of necessary contributions which made her able to get on with the project.

DISCUSSION

The main purpose of doing a stakeholder analysis is to enable the project manager to take action in relation to the stakeholders of the project and their interests in a timely manner. The results of the analysis constitute a basis for decisions, objectives, and plans for the project. To get the project properly assigned and started, there is thus a need for doing a stakeholder analysis in the front end of the project. Building stakeholder management on a front end stakeholder analysis rests on two important assumptions a) that the project manager can grasp the nature of the stakeholder coalition in terms of identification of important and not-so-important stakeholders, as well as characterize them on several dimensions, and b) that the coalition of stakeholders is stable across the course of the project. Our findings show that these assumptions may not hold in a practical setting.

Project managers may not have the resources or capabilities to gather the necessary information. The guidelines provided in current literature are far too general to be useful for people who are not academically trained in doing data collection and the data may therefore not give a valid description of the stakeholders. One example is the advice that the information needed for characterization of the stakeholders can be gathered through interviews with relevant stakeholders. Our findings show that a project manager may not have the skills required for selecting informants and conducting interviews. Further, conducting the interviews is a time-consuming activity and it is important not to waste time on interviewing non-important stakeholders. This is a problem because the project manager may have difficulty determining the importance of each stakeholder in advance.

In spite of these challenges, making the interviews was perceived as a valuable activity by the project managers. Once the project manager succeeded in interviewing stakeholders, the process itself seemed to add to the mutual sense-making of the project. This supports the

notion of doing interviews as a part of an ongoing stakeholder analysis. It may be that this positive outcome of doing interviews can be explained by the dialogue influencing the narratives about the project purpose and objectives as was also reported in Boddy & Paton [32]. It is especially interesting that a very negative narrative changed after the interview/dialogue regarding possible positive outcomes from the project and the needed contribution from the stakeholder for the project to succeed.

A positive outcome of doing interviews requires that the stakeholders are able and willing to share their expectations regarding and attitudes towards the project. They may not be so, and this problem is aggravated if the project manager has problems handling the interview situation. It takes courage to conduct interviews with powerful stakeholders who are negative towards the project and its outcome, and it is hard to control the way that stakeholders are influenced by the interview or dialogue. It may be that their expectations regarding the outcome of the project are raised to an unrealistic level. Finally, many stakeholders have busy schedules and there are, therefore, also practical problems involved in setting up the needed interviews.

Even if the information needed can be gathered by the project manager, there are problems in indicating who is negative and who is positive towards the project. We found that the project managers were reluctant to describe stakeholders explicitly and in writing. They were afraid that the commitment matrix and the stakeholder outline could be seen by the “wrong” people, whether at the present time or in some distant future.

Another problem is that the stakeholder analysis is supposed to reveal important actors in a complex, dynamic process which project managers are not able to foresee. This is, of course, a difficult task. We found that the coalition of stakeholders often is not well delimited and changes during the project course because different stakeholders may be important at different stages in the process. This is in line with the findings of Pouloudi & Whitley [13].

On top of this, the coalition may be very complex. For example, the stakeholders may interact and influence each other in various ways.

As mentioned at the beginning of this section, in order to make initial decisions, it is necessary that the project manager does the overall planning in the beginning of the project course. Even though some authors [3;11-13] point to a need for continuous updating of the stakeholder analysis, the sense making of the stakeholders resulting from this initial analysis may very well last. Reasons for this may be that it is the first “official” understanding of the stakeholder landscape, and that project managers do not always get round to making a revised stakeholder outline. Elevation of the initial result to being the “true” picture of the landscape during the whole project course without making further investigations into the matter is especially problematic if it is made based on superficial data collection and thus rests on very limited knowledge.

CONCLUSION AND IMPLICATIONS

The conclusions in the following are based on findings from application of guidelines regarding how to carry out a stakeholder analysis to four renewal projects that were carried out at a Danish hospital. The study is not representative for all projects that can be thought of. However, we find that our research gives a good picture of the problems involved in stakeholder analysis in renewal projects. We do not find that the hospital setting is so special that the cases are only representative for renewal projects in hospitals; hospitals are organizations like companies are. A larger number of projects may have given the data more strength. However, we found that it was more important to spend our resources studying projects over a comparatively long period of time than to add extra projects. We, therefore, find it safe to conclude on the challenges and benefits in using the guidelines in practical settings based on the research which was presented in the above.

The study shows that current guidelines give useful advice about the elements that have to be covered in the analysis and also provide some tools for the analysis. There are, however challenges in using the guidelines, especially concerning identification of the types of stakeholders and characterization of stakeholders concerning the rewards that they want or expect for delivering their contribution. We find that there is a need for guidelines explicating how to distinguish important stakeholders from not-so-important stakeholders based on desk research and prior knowledge. Further, there is a need for research on how to approach and interview important stakeholders to grasp the kind and level of attention that they need. Finally, our research shows that stakeholder analysis should be an iterative process involving interaction with stakeholders concerning their contributions and rewards rather than regarded as a task which can be carried out mainly as a front end desk research. More research on how to carry out dynamic stakeholder analyses and how to uncover the stakeholder coalition is therefore needed.

As regards practice, our findings support that project managers should undertake stakeholder analysis even though it is difficult. However, our findings show that doing a thorough stakeholder analysis is a time consuming activity. Therefore, the project manager can easily be torn in a dilemma between spending time doing a thorough analysis and the need for the project to get in motion. Accordingly, it may be that in real life, project managers, at least to some extent, will have to rely on intuition and superficial analysis. To solve this problem, and keep costs in time and money at a reasonable level, the project manager should carefully consider which stakeholders are sufficiently important to warrant information gathering concerning expectations as regards rewards for delivering the needed contributions. The project manager should also make only a detailed outline for the stakeholders that are important in the early stages of the process and postpone making

outlines for additional stakeholders to the moment when they become important during the project course.

In spite of the challenges in making a stakeholder analysis, we think that the pro-active project manager should see the analysis not only as resource demanding activity, but as an ongoing learning process and an opportunity to engage in dialogue with the stakeholders to take their thoughts regarding the project into consideration at an early stage. By choosing this perspective on stakeholder management we think that stakeholder analysis can make a great contribution to the success of a project. The current guidelines on how to do a stakeholder analysis provide a good conceptual framework for doing so but lack in detail as regards practical advice concerning collection of the needed data.

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FIGURE 1. Stakeholder outline [11]

| Stakeholder | Area of interest | Contributions | Expectations | Power | Strategy | Responsible |
|--------------------|-------------------------|----------------------|---------------------|--------------|-----------------|--------------------|
| | | | | | | |
| | | | | | | |

FIGURE 2. Stakeholder commitment matrix* [4]

| Stakeholder | Active Opposition | Passive Opposition | Neutral | Passive Support | Active Support |
|--|--------------------------|---------------------------|----------------|------------------------|-----------------------|
| Suppliers | | | XO | | |
| Top Management | | | | X→→ | →→O |
| Colleagues in the permanent organisation | | X→ | →→→→ | →→O | |
| Grumbler | | | | O←← | ←←X |

X = current position, O = necessary/wanted position

*Example of content filled in by the authors.