

The Role of Stakeholders in Project Management

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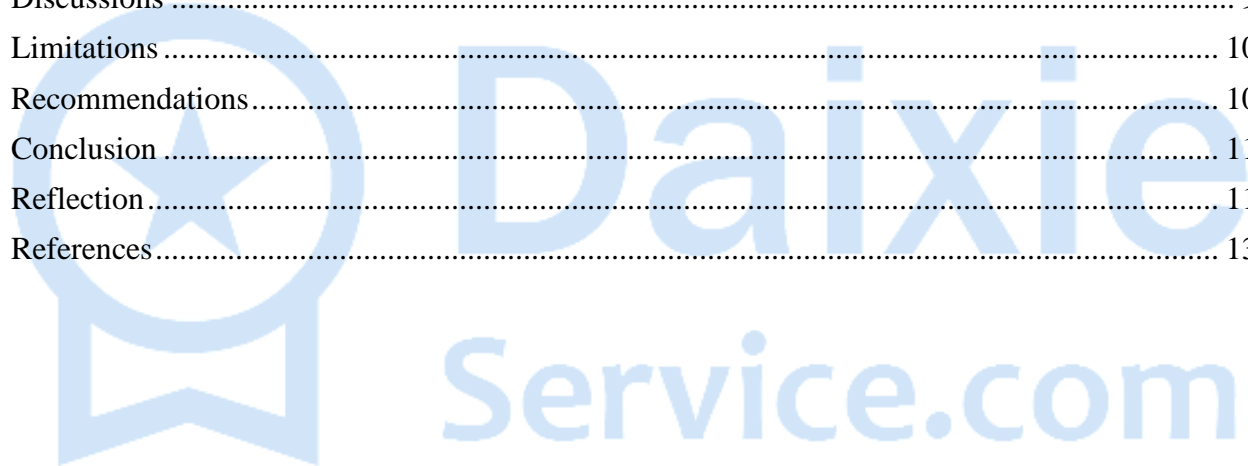
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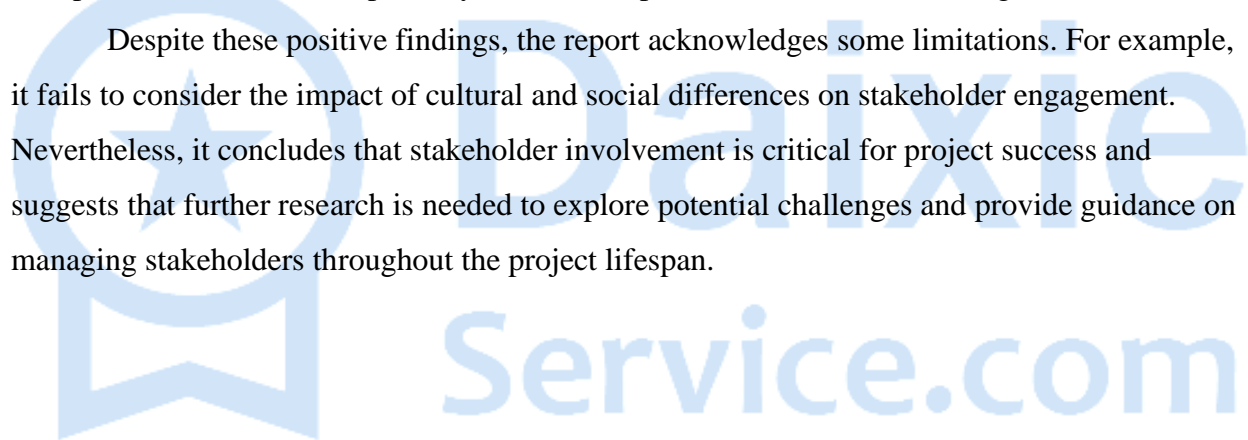
Executive Summary

This report delves into the crucial function of stakeholders in project management and endeavors to determine if stakeholder engagement is a prerequisite for accomplishing project triumph. The report references a range of highly regarded sources, such as Proquest, ScienceDirect, Scopus, SpringerLink, Google Scholar, and the Journal of Project Management.

The report's findings reveal that stakeholders are a decisive factor in determining the fate of a project. It illuminates the diverse categories of stakeholders involved in a project, explores methodologies for mitigating conflict and risk, and delves into information systems projects in particular.

Also, the report suggests specific actions project managers can take to enhance stakeholder engagement, including prompt stakeholder involvement, the establishment of transparent communication pathways, and the implementation of a risk management scheme.

Despite these positive findings, the report acknowledges some limitations. For example, it fails to consider the impact of cultural and social differences on stakeholder engagement. Nevertheless, it concludes that stakeholder involvement is critical for project success and suggests that further research is needed to explore potential challenges and provide guidance on managing stakeholders throughout the project lifespan.



Introduction

The process of project management is intricate, involving multiple stakeholders who possess distinct interests, expectations, and needs. These stakeholders wield immense influence in determining the project's ultimate success or failure. As such, their participation from the project's outset is indispensable in defining requirements and dictating alterations necessary to fulfill their expectations. Disregarding stakeholder involvement in the early stages may give rise to conflicts and hazards, jeopardizing the project's quality and value. Therefore, stakeholder engagement is a critical aspect of project management that must not be overlooked.

This report is reliant on some reputable databases and journals, such as Proquest, ScienceDirect, Scopus, SpringerLink, Google Scholar, the Journal of Project Management, the Journal of Information Systems, the International Journal of Project Management, Project Management Journal, and the Journal of Information Technology, to draft its content. Drawing on the literature emanating from these sources, the report endeavors to scrutinize the veracity of the claim that stakeholders hold a crucial position in determining the success or failure of a project. Specifically, the report explores the identity of project stakeholders, the various types of stakeholders that exist, as well as the strategies that may be implemented to forestall any conflict and risk in project management both generally and more specifically within the realm of information systems projects.

Further, the report duly highlights its limitations whilst also offering insights into how project managers could heighten stakeholder engagement, thereby leading to successful project completion. Thus, the report proffers valuable recommendations in this regard, underscoring the significance of stakeholder participation throughout the project's lifecycle.

Scope of the Literature Review

Main Headings	Subheadings
Key Phrases	Project management, Stakeholders, Project success, Project failure, Risk, Conflict
Databases	Google Scholar, Proquest, ScienceDirect, SpringerLink,
Journals Names	Journal of Project Management, Journal of Information Systems, International Journal of Project Management, Project Management Journal, Journal of Information Technology

Figure 1: Scope of Literature Review

The databases in **Figure 1** above were preferred due to their extensive coverage of project management, stakeholder engagement, risk, and conflict in project management. The key phrases were utilized to ascertain pertinent literature regarding the subject matter, whereas the selected databases and journals are renowned sources that provide scholastic articles and research studies linked to project management. Through a thorough review of literature from these sources, the objective was to obtain a deeper comprehension of the significance of stakeholder engagement in project management, the diverse types of stakeholders involved, and efficacious tactics for managing conflicts and risks in project management, with a specific emphasis on information systems projects.

Background

Who are the Stakeholders?

In project management, a stakeholder is any individual, group, or organization that can affect or be affected by the project's outcome, either positively or negatively (Zhu et al., 2021, 788). Stakeholders can have various interests, concerns, and expectations regarding the project, and it is essential to identify and manage them effectively to ensure project success.

Types of Stakeholders

1. *Internal stakeholders*

Internal stakeholders are individuals with direct involvement in the project's progression (Derakhshan et al., 2019, 99). Internal stakeholders are individuals with direct involvement in the project's progression (Derakhshan et al., 2019, 99). Normally, they can include a range of individuals and groups within the organization, including project sponsors, project managers, project team members, executives, functional managers, and operational staff (Martinsuo et al., 2020, 445). Project sponsors provide funding and make critical decisions, project managers plan and execute the project, and team members carry out assigned tasks. Executives provide overall direction and ensure alignment with the organization's strategy, functional managers offer technical expertise and resources, and operational staff carry out day-to-day operations and may be impacted by the project. The participation of internal stakeholders is essential for a project to

achieve its objectives. Each of these stakeholders plays a unique role in the project, and their involvement is necessary for the project to succeed.

2. External Stakeholders:

External stakeholders in project management refer to individuals, groups, or organizations that are not part of the project team but have an interest in or are affected by the project (Derakhshan et al., 2019, 99). These stakeholders can have a significant impact on the success or failure of a project and project managers need to identify and manage their expectations and requirements (Ninan et al., 2022, 521). Examples of external stakeholders include customers or clients, suppliers, regulatory bodies, government agencies, shareholders, investors, and the local community. Customers or clients have a direct interest in the project's outcomes, while suppliers may have a vested interest in the project's success to maintain ongoing business relationships. Regulatory bodies and government agencies may require compliance with certain standards, while shareholders and investors may have a financial stake in the project's success. The local community may also be affected by the project and may have concerns about issues such as environmental impact or traffic congestion.

The Need for Stakeholder Involvement in Project Management

The participation of stakeholders is an essential component of project management, especially in the project's preliminary stages (Rodríguez-Calero et al., 2023, 041413). Also, involving stakeholders in the early stages of a project can help project managers the stakeholder's requirements. By recognizing the requirements and anticipations of stakeholders, project managers can integrate them into the project's goals, resulting in a clearer comprehension of the project's purpose and aligning stakeholder expectations with project results. This approach can boost the likelihood of achieving success in the project.

Further, the engagement of stakeholders in the project's proceedings plays a vital role in identifying potential risks and opportunities that a project is associated with. Their involvement during the initial stages of a project can help in uncovering risks and opportunities that may have an impact on the project's success (Pedrini et al., 2019, 48). This approach can empower project managers to tackle such issues proactively, averting the risks of project delays, cost overruns, and other unfavorable outcomes. Through a profound understanding of the stakeholders' perspectives, project managers can effectively manage the project and ensure its success.

Moreover, the efficacy of stakeholder engagement in fostering communication and forging favorable relationships between project managers and stakeholders cannot be overemphasized. Initiating stakeholder engagement from the outset can culminate in an enhanced comprehension of the project and a more optimistic view of its outcomes (de Oliveira et al., 2019, 131). Employing this approach can guarantee that stakeholders stay actively involved throughout the project lifecycle, leading to a superior understanding of the project and a more sanguine perception of its outcomes.

Lastly, the inclusion of stakeholders in the initial phases of a project may result in superior decision-making (Al Nahyan et al., 2019, 1768). By taking into account all viewpoints, project leaders can arrive at well-informed judgments that are consistent with the requirements and expectations of stakeholders. Such an approach can facilitate project managers in making wise decisions that match stakeholder demands and prospects, culminating in a greater likelihood of success for the project.

Prevention of Conflict and Risk in Project Management in General

The process of project management is a multifaceted and demanding undertaking that necessitates meticulous preparation, coordination, and execution to attain triumph (Alotaibi et al., 2016, 94). Among the most significant obstacles that project managers confront is the avoidance of discord and danger. Dissonance may arise from a variety of causes, such as disparities in objectives, communication breakdowns, and clashes in personalities, while risks can emanate from various factors, including unanticipated incidents, insufficient resources, and deficient planning. For project managers to accomplish their objectives, it is crucial to implement effective strategies to prevent conflicts and risks, which are essential for delivering projects within the stipulated timeline, within the prescribed financial limits, and to the contentment of all stakeholders.

To prevent the emergence of conflict and potential hazards in project management, it is paramount to establish a lucid project plan that delineates the scope, objectives, timeframe, and resources needed (Yu et al., 2018, p. 784).

A risk management plan must be seamlessly integrated into the planning process of a project. Such a plan should comprehensively evaluate and gauge possible risks, their likelihood of occurrence, and their possible effects on the project. Furthermore, the risk management plan

ought to include backup strategies that aim at cushioning against any adverse consequences resulting from identified risks.

Moreover, effective communication is key to preventing conflicts and mitigating risks in project management (Löhr et al., 2017, 260). To promote a conducive working environment, project managers must establish transparent and open channels of communication with all stakeholders, including team members and sponsors. Regular interaction should be fostered, and any potential issues should be proactively addressed to avoid exacerbation. Moreover, project managers are responsible for ensuring that every team member comprehends their roles and responsibilities and has access to the necessary resources to execute their tasks efficiently. By doing so, the team can function seamlessly, minimizing the occurrence of conflicts and reducing potential risks to the project's success.

Forming a robust team is a critical aspect of preventing potential conflicts and hazards in project management. To achieve this goal, project managers must guarantee that each party involved possesses complementary skills and exhibits a smooth working relationship (Olawale 2020, 21). It is imperative to encourage team members to collaborate and exchange ideas while providing them with opportunities for professional growth and training. Through this approach, project managers can minimize the probability of conflict and enhance the probability of triumph for their projects.

Prevention of Conflict and Risk in Information Systems Projects

Information systems projects are multifaceted endeavors that engage various stakeholders with divergent interests, outlooks, and anticipations (Varajão et al., 2021, 64). These projects require substantial investments of time, money, and resources, thus amplifying the stakes and risks involved. Regrettably, conflicts and hazards are frequent occurrences in information systems projects and can have catastrophic impacts on their triumph. As such, it is essential to adopt pre-emptive measures to forestall conflicts and risks in information systems projects.

Some of the common causes of conflicts in information systems projects include differences in opinions, lack of clear communication, conflicting goals, and inadequate planning. Risks, on the other hand, can arise due to technical challenges, project management issues, and external factors such as regulatory changes and market conditions (Keil et al., 2013, 399). One of the preventive measures to minimize conflicts and risks in information systems projects is to have an effective project governance structure. Project governance involves the establishment of

decision-making processes, roles, responsibilities, and communication protocols to ensure project success (Erasmus et al., 2021, 723). A well-designed project governance structure provides stakeholders with clear guidance on their roles and responsibilities and promotes transparency and accountability. It also enables project managers to monitor project progress, identify and address issues promptly, and mitigate risks before they escalate.

The other indispensable factor in averting conflicts and hazards is to ensure that the project team possesses the requisite competencies and know-how to consummate the project triumphantly (Keil et al., 2013, 431). This could comprise providing instruction to team members on particular technologies or procedures, recruiting extra team members who possess the necessary skills, or farming out particular tasks to specialized contractors. An adept and well-informed team can forestall conflicts and risks that may emerge due to insufficient project planning or implementation.

Further, establishing effective change management processes can be used to prevent conflicts and risks in information systems projects. The change management processes can help manage changes to project requirements or scope, ensuring that all changes are properly documented, approved, and communicated to all stakeholders. This can help prevent scope creep and ensure that the project remains on track, within budget, and meets the original objectives.

Discussions

The literary examination has satisfactorily addressed the inquiry posed by the research report assessment. The research findings ascertain that stakeholders exert a decisive influence on the outcome of a project. The active involvement of stakeholders from the outset is pivotal in guaranteeing that their needs and preferences are integrated into the project's goals and objectives, thereby amplifying the likelihood of project success.

In my view, I agree with the reviewed literature review about the research report question that stakeholders should be involved right from a project's outset. The involvement of stakeholders from the outset can ensure that the project's goals and objectives align with stakeholder expectations, potentially leading to a higher probability of project success. Moreover, engaging stakeholders from the beginning can result in a better understanding of the project and a more positive perception of its outcomes, which can ensure that stakeholders remain engaged throughout the project lifecycle. It is also essential to identify and manage

stakeholders effectively to prevent potential conflicts that may arise from differences in goals, communication breakdowns, and personality clashes.

Limitations

The report under discussion exhibits a certain constraint which is notable for its emphasis on the benefits of stakeholder participation in project initiation while neglecting to provide a comprehensive evaluation of the potential drawbacks. While the involvement of stakeholders may undoubtedly result in improved decision-making, better communication, and risk mitigation, it could also cause undesirable effects such as delays and additional expenses, particularly when poorly managed. Furthermore, the report overlooks the impact of cultural and social variances on stakeholder involvement. Stakeholders hailing from diverse cultural and social backgrounds may exhibit distinct communication patterns, expectations, and preferences, and thus, project managers must take these discrepancies into account for the sake of ensuring effective stakeholder engagement.

Moreover, the report does not contain precise instructions on how to efficiently recognize and regulate stakeholders in every phase of the project. Nevertheless, even with these inadequacies, the report emphasizes the importance of stakeholder participation in project management and the possible advantages it can offer, including enhanced decision-making abilities, identification and mitigation of risks, and better communication and relationships with stakeholders.

Further research is required to explore more risks that stakeholders are exposed to and provide clear guidance on how to manage stakeholders throughout the project lifecycle.

Recommendations

Project managers must take certain actions to boost stakeholder participation and guarantee project success. To ensure the success of their projects, they must first handle stakeholders well. Identifying and categorizing stakeholders as either internal or external stakeholders is one way to accomplish this. This aids project managers in managing stakeholders' expectations and understanding who to interact with.

Another crucial aspect of stakeholder management is involving stakeholders from the beginning of a project. Project managers benefit from this practice because it helps them foresee and prepare for challenges and opportunities, sharpen focus on desired outcomes, enhance lines

of communication, and foster support from involved parties. This method can also aid project managers in making choices that are consistent with the requirements and expectations of stakeholders.

Project managers must establish unimpeded communication pathways with stakeholders, keeping them informed of project progress and addressing any related queries or issues. By doing so, trust and assurance are fostered among stakeholders, thereby ensuring unanimous understanding and agreement.

Conclusion

Stakeholders hold a position of utmost significance in project management, comprising individuals, groups, or organizations that possess the power to impact or be impacted by the outcome of the project, either positively or negatively. There exist two principal types of stakeholders in project management, namely, internal and external stakeholders, with both assuming a crucial role in ensuring project success. The involvement of stakeholders in the initial phases of a project stands as a critical step towards identifying project objectives, potential risks, and opportunities, improving communication, cultivating positive relationships, and making informed decisions that are aligned with stakeholder needs and expectations.

Moreover, effective conflict resolution and risk mitigation strategies, such as developing a concise project plan, and risk management plan, and promoting transparent communication, are imperative for project managers to deliver projects within stipulated timelines, budgets, and stakeholder expectations. As stakeholders hold a pivotal position in a project's progress, managing them proactively and effectively becomes indispensable for project success. Any failure to do so may lead to adverse consequences for all parties involved, thereby emphasizing the need to manage stakeholders with utmost care and caution.

Reflection

Undertaking the research report assessment was an arduous yet gratifying journey for me. The entire process of scrutinizing, perusing, and assessing resources, as well as organizing my ideas into a coherent report, was tedious. However, it significantly enhanced my research and writing abilities.

Furthermore, to obtain appropriate literature, I had to devote a substantial amount of time perusing a variety of databases and publications. Furthermore, structuring the report and aligning

it with the assessment questions presented difficulties. Nevertheless, the report has taught me about the importance of stakeholder management in project management, the various types of stakeholders, and how to avoid conflicts and risks. In addition, I learned how to effectively structure my report and present my findings clearly and succinctly.



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