

# USING PHENOMENOLOGICAL INQUIRY TO UNDERSTAND STAKEHOLDER MANAGEMENT SUCCESS CRITERIA ON PROJECTS

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## ABSTRACT

*This study employs phenomenological inquiry to investigate success criteria for stakeholder management on projects and explores the gaps in the characteristics of stakeholder relationship management success between literature, practice standards, and practitioners. The literature review highlights the importance of stakeholder value, successful stakeholder management dimensions, project manager competencies, and the business case for managing stakeholders. The methodology employed open-ended questions to experienced project managers with a minimum of five years of experience. Phenomenology principles were applied to ensure a deeper understanding of the state of the practice in project management. Two research questions were examined: (1) What constitutes successful stakeholder management? and (2) What is the cost (or Return on Investment [ROI]) of managing stakeholders?*

*Data were collected through a survey, with responses analyzed to identify key themes. For research question 1, three themes emerged: (1) simultaneous focus on the present and future, (2) effective communication, and (3) being on the same page, resulting in delivering expectations. The first theme highlighted the need for continuous review of success from the customer's perspective, while the second emphasized the importance of regular, consistent, and proactive communication. The third theme underscored the importance of efficiency in decision-making to meet stakeholder expectations. A notable definition of success was "a sale at a mutually satisfactory price, delivery of the promised service/product, and satisfied stakeholders who offer positive feedback."*

*For research question 2, a single theme was identified: quantifying management costs. Respondents acknowledged that the cost of not managing stakeholders could lead to various negative outcomes, and some provided methods for quantifying the cost of stakeholder management. However, others believed that the costs were difficult or impossible to quantify.*

*The findings contribute to understanding the gaps between stakeholder management success in practice and the literature. This research provides practical insights to enhance stakeholder management success criteria and improve project outcomes for project, program, and portfolio managers. This study contributes to the literature on stakeholder management by highlighting the importance of simultaneously focusing on the present and future, effective communication, and efficient decision-making. Further research is needed to explore the practical implications of these findings and to develop robust methods for quantifying*

*stakeholder management costs and understanding the relationship between these costs and the success of stakeholder management efforts.*

Keywords: stakeholder management, success, business case, project management, program management, expectation management

## INTRODUCTION

The current business environment is characterized by a complex web of stakeholders, whose interests, needs, and expectations significantly impact the success of projects. Stakeholder management has therefore emerged as a critical aspect of project management. This study employs phenomenological inquiry to understand the success criteria for stakeholder management on projects, bridging the gap between the theoretical literature and the practical experiences of project managers.

The original concept of stakeholder theory, credited to Freeman (1984, 2015), broadened the perspective of corporate responsibilities beyond the maximization of shareholder value (Friedman, 1970), to encompass a wider range of participants, including shareholders, customers, suppliers, and employees. Despite the extensive literature on stakeholder management, a gap exists in understanding the characteristics of successful stakeholder relationship management from the practitioners' perspective. This study aims to address this gap by exploring two primary research questions: What constitutes successful stakeholder management, and what is the cost or Return on Investment (ROI) of managing stakeholders?

A review of the existing literature highlights that there is no single, universally accepted method of measuring stakeholder management success. The success dimensions identified include effective communication, time management, the identification and agreement on objectives and mission, project manager competencies, the delivery of strategic benefits, and stakeholder satisfaction. The business case for stakeholder management extends beyond project outcomes, with improved decision-making, increased efficiency, better risk management, and enhanced relationships identified as key benefits. However, the practical implementation of these dimensions and benefits often faces challenges, particularly in balancing conflicting needs and expectations.

Drawing from the lived experiences of seasoned project managers, this study identifies key themes for successful stakeholder management. These include a simultaneous focus on the present and future, effective communication, and efficiency in decision-making. The study also acknowledges the challenge of quantifying stakeholder management costs, with some practitioners asserting that such costs are difficult or impossible to quantify.

This study contributes to the existing literature by providing practical insights that can enhance stakeholder management success criteria and improve project outcomes. Furthermore, it underscores the need for further research to develop robust methods for quantifying stakeholder management costs and understanding their relationship with the success of stakeholder management efforts.

This paper continues with a description of the methodology employed in the study, followed by the presentation of findings, discussion, and conclusions. Through this, it aims to provide a comprehensive understanding of stakeholder management success criteria, bridging the gap between theory and practice.

## LITERATURE REVIEW

### Overview

The Project Management Institute (PMI) reported that projects with effective stakeholder management are more likely to be completed on time, within budget, and with higher levels of customer satisfaction (PMI, 2017). Berman et al. (2019) identified four seminal works written between 1984 and 1997 (Donaldson & Preston, 1995; Freeman, 1984, 2015; Jones, 1995; Mitchell et al., 1997), which provide the foundational concepts of stakeholder theory. The key concept of stakeholder value is central to stakeholder theory, with organizations creating value through net gains or losses experienced by stakeholders. This value encompasses tangible elements such as financial returns and overall performance (Donaldson & Preston, 1995), as well as intangible aspects like reputation (Kowalczyk & Kuckarska, 2020), quality (Waters & Ahmed, 2020), and social and environmental impact (Gurmu, et al, 2022; Uribe, et al, 2018).

### The Measures of Successful Stakeholder Management

There is no universally accepted method of measuring the success of stakeholder management (Davis, 2016; 2017). Rather, there are numerous means of gauging successful stakeholder management, or its opposite, stakeholder mismanagement. The dimensions of stakeholder management success include communication, time, identifying and agreeing on objectives and mission, project manager competencies and focus, delivery of strategic benefits, top management support, stakeholder satisfaction, acceptance of the product, and adherence to cost and budget (Davis, 2016; 2017). Successful projects are those that are completed on time and within budget, engage diverse groups of stakeholders throughout the project lifecycle, and ultimately deliver high levels of satisfaction to stakeholders.

### The Business Case for Managing Stakeholders

The business case for stakeholder management is closely tied to achieving project outcomes and business goals. This is accomplished by ensuring that project managers consider and address the needs and expectations of all stakeholders. By engaging stakeholders early and regularly, project managers can better understand their needs and expectations, and make changes to the project plan to address stakeholder considerations. Those actions can lead to improved project outcomes, such as increased buy-in, reduced resistance, and increased likelihood of project success (PMI, 2017).

In addition to project outcomes, several other benefits arise from effective stakeholder management. Involving stakeholders in the decision-making process leads to better-informed choices that consider the needs and perspectives of all parties (Martunnen et al., 2015). Clear communication of project goals, timelines, and expectations reduces misunderstandings and minimizes the need for rework, thus increasing operational efficiency (Alqaisi et al., 2018). Further, the quality of relationships with stakeholders is enhanced, resulting in improved trust

and greater collaboration in future projects (Cleland & Gareis, 2006). Lastly, comprehensive stakeholder engagement improves risk management by enabling project managers to identify and mitigate potential risks early on (PMI, 2017).

### **Balancing Conflicting Needs and Expectations**

Orts and Strudler (2002) emphasized the importance of taking a holistic and ethical approach to management. They suggested that organizations can benefit from considering the needs and interests of a wide range of stakeholders to create long-term value. This framework was further developed by Orts and Strudler (2009) to provide practical applications for organizations to balance stakeholder needs, especially around ethical and environmental concerns. The authors argued that overly broad definitions of stakeholder extend the range of moral and ethical considerations to the point of limiting the usefulness of stakeholder theory.

Eisenhardt and Martin (2000) argued that, to remain competitive and achieve long-term success, organizations must identify and respond to changes in the business environment such as shifting stakeholder interests and expectations. Developing such a dynamic capability enables organizations to sense environmental changes and manage conflicts more effectively.

### **The Role of Interpersonal Skills in Stakeholder Management**

Bourne (2016) contended that the success of a project is intricately linked to the quality of stakeholder relationships, which are often shaped by planned and ad hoc communication. Stakeholder mapping helps leaders identify and categorize stakeholders based on their influence, interest, and impact, allowing for more targeted engagement strategies. They further identified a range of competencies that project leaders should possess, such as active listening, adaptability, empathy, and clear communication. These competencies facilitate collaboration, influence, and transparency, all of which are critical for project success.

The literature elaborates on these competencies in depth. Active listening allows leaders to understand stakeholder needs and preempt issues by asking relevant questions (Pinto & Slevin, 2017). Adaptability and flexibility are essential for adjusting to changing stakeholder expectations (Baugh, 2015). Empathy aids in relationship building and conflict management (Nartey et al., 2023), while engagement fosters participation and commitment to the project (Achterkamp & Vos, 2008). Clear channels of communication ensure mutual understanding of project goals and facilitate information exchange (PMI, 2017). A collaborative environment encourages stakeholders to interact and solve problems together (Baugh, 2015). Leaders also need to develop the ability to influence stakeholders across all levels (PMI, 2017). Transparency in communication cultivates trust (Mantel et al., 2011).

### **Addressing Conflicts and Risks in Stakeholder Management**

Conflicting interests, risks, and problems need to be addressed in complex projects. Project leaders must establish clear roles, responsibilities, and expectations for stakeholders; set up systems for tracking and reporting progress; and expeditiously address issues (Baugh, 2015; Beam et al., 2023). Project leaders can use facilitated decision-making processes, such as consensus-building or multi-voting, to resolve conflicts transparently.

Frame (2003) recommended that project leaders methodically analyze key factors such as the nature of the conflict, the interests and priorities of the parties involved, power dynamics, time constraints, and available resources before selecting an appropriate conflict resolution strategy (e.g., competing, collaborating, compromising, avoiding, and accommodating). Elements such as the root cause and type of conflict may help determine the most suitable approach. For example, misunderstandings can sometimes be resolved through communication and collaboration, while conflicting goals might resolve using a competitive strategy. An understanding of stakeholder interests, priorities, and power differentials can inform the selection of a strategy that is most likely to meet all parties' needs and reflects the reality of power dynamics. Conflicts involving unequal power dynamics may be better resolved through accommodation or compromise, while conflicts between parties with more balanced power dynamics may lend themselves to collaboration or competition. Time constraints might force quicker resolution strategies such as compromise or avoidance. Finally, the availability of resources, including time, money, and personnel, might force project leaders to select a specific strategy. More recent articles on stakeholder conflict provide additional guidance (Yu et al, 2019; Zarewa, 2019).

In conclusion, the literature review suggests that successful stakeholder management is a complex process that requires a balance of technical and interpersonal skills. It is also clear that there is a need for more research to develop practical tools and frameworks to support project leaders in managing stakeholders effectively.

### **Critical Analysis of the Literature**

The literature on stakeholder management provides valuable insights into the importance of stakeholder management in project success. However, it also reveals some gaps and limitations. The literature strongly emphasizes the importance of effective stakeholder management for project success, providing a strong theoretical foundation for the field. The focus on both tangible and intangible values is a significant strength, as it acknowledges the multi-dimensional nature of stakeholder value. The literature also provides a comprehensive list of skills necessary for effective stakeholder management, which can be useful for project managers.

Despite the strengths, the literature also has several weaknesses. One major weakness is the lack of a universally accepted method for measuring stakeholder management success. This lack of consensus can lead to confusion and inconsistency in practice. The literature also seems to lack practical tools and frameworks that project managers can use to manage stakeholders effectively. While the literature provides a list of necessary skills, it does not provide clear guidance on how to develop these skills or apply them in practice. So, while the literature on stakeholder management provides valuable insights, there is a need for more research to address its limitations.

## METHODOLOGY

### Research Design

This study deploys qualitative inquiry (Creswell & Creswell, 2018) to investigate stakeholder management in project management settings. Specifically, it gathers insights through open-ended questions from seasoned project managers and compares these with current literature.

### Conceptual Framework

Guided by interpretivism, this study captures subjective experiences in stakeholder management. We chose phenomenology as our qualitative approach given its recurring use in project management literature (Denney, 2020; Hlalele, 2019; Kadangwe & Emuze, 2017, Müller, & Jedličková, 2020; Prakash & Ambekar, 2020; Rolfe, et al, 2017). and its suitability for this research (Butler-Kisber, 2018). This methodology allows us to dive into the lived experiences of project managers, offering a real-world lens on the topic.

### Variables Explored

In conventional quantitative studies, variables are pre-defined and quantified. However, in the phenomenological paradigm in qualitative research, themes and patterns naturally arise from the data, instead of the constraints of predefined variables. This study identifies emergent themes:

1. Successful Stakeholder Management: Key elements as defined by professionals in the field.
2. Stakeholder Management Cost & Value: A focus on resource allocation and return on investment.
3. Stakeholder Engagement Challenges: Identification of barriers in stakeholder interactions.
4. Balancing Conflicting Needs: Strategies used by project managers to handle conflicting stakeholder expectations.

### Sampling and Sampling Method

We employed purposive sampling (Creswell & Creswell, 2018) to select experienced project managers with at least five years in the field, aligning with criteria used in existing research (Denney, 2020; International Project Management Association (n.d.), PMI, 2022); Wai & Rindermann, 2017). Two phases of participant selection yielded 71 qualified respondents. Data were collected in two cycles, 2017-2018 and 2021-2022, to provide a more comprehensive view.

### Scope and Delimitations

The research is U.S.-focused, given the recruitment methods used. A majority of respondents work in government contracting, IT, construction, or manufacturing, although the study was not industry specific. 42% of the respondents identified as female and 58% as male. The average number of years of experience is as follows: for program managers (17 years),

project management (14), other project management functions (12) and project management support (8 years).

### Data Collection

Open-ended electronic questionnaires facilitated in-depth responses from participants, allowing us to better understand their perspectives.

The questionnaire was submitted electronically, which allowed the respondents adequate time to craft and answer instead of being pressured during a face-to-face interview (Kvale & Brinkmann, 2015). Each respondent was asked to write approximately 500-700 words per question to enable the researchers to understand their context and perspective.

A copy of the questionnaire is shown in table 1.

| <b>Table 1</b>   |
|--|
| <b>RESEARCH QUESTIONNAIRE</b>  |
| <b>Welcome to our Study on Stakeholder Management in Project and Program Management</b>  |
| Instructions: (described below)  |
| Q1. SUCCESSFUL STAKEHOLDER MANAGEMENT- Describe what is necessary to achieve successful stakeholder relationship management on a project? Use as many adjectives or descriptive phrases as you like.   |
| Q2. STAKEHOLDER MANAGEMENT COST- How do you quantify the cost of stakeholder relationship management? Essentially, what is the business case for spending time and money on stakeholder management? As part of the business case, describe how quantified (or propose to quantify) the value or impact to the project of spending money on stakeholder management? How do you think it can be measured?  |
| Q3. STAKEHOLDER ENGAGEMENT ISSUES- There are two parts to this question:<br>...(a) What barriers to communication have you seen with specific stakeholders? Examples are extremely helpful with sufficient context to help with interpretation of meaning.<br>...(b) To what extent have you dealt with difficult stakeholders including ambivalent, unreceptive, or unsupportive? Please provide as many examples as you can describing the situation, and how it was resolved. |
| Q4. BALANCING CONFLICTING NEEDS AND EXPECTATIONS- Think of at least one situation where there were conflicting needs and expectations among the stakeholders. Describe each situation and the thought process for resolution.  |

Participant instructions included the following:

*For these questions, the term stakeholder relationship management (or stakeholder management, for short) includes the entire process of identifying, prioritizing, engaging, and monitoring stakeholders.*

*There are no set or standard or expected answers. This is not a "check the box" or "select the best answer" exercise. The more you write and provide context, the more it will help us in understanding your thought process as an experienced professional and add a practical dimension to the myriad of theoretical research. We are looking for your experience-- including what has worked and what hasn't related to stakeholder engagement and why you perceive it that way....*

### **Data Analysis**

Inductive coding was employed to analyze the text for emerging themes and patterns, in line with the qualitative nature of this research (Emerson, et al., 2011).

### **Validity and Reliability**

The study achieves validity and reliability by acknowledging and embracing subjectivity. Phenomenology, as an approach, ensures consistency, credibility, and authenticity in capturing human experiences. Validity was achieved by rigorously capturing participants' lived experiences and perspectives by directly capturing participant reflections. The reliability of the study is enhanced by the detailed documentation of the research process, allowing for replicability and consistency in data analysis.

### **Ethical Considerations**

Ethical approval was obtained from our university's IRB, ensuring compliance with federal regulations. Participants signed We secured informed consent from participants, safeguarded their privacy, and upheld strict confidentiality measures. Our transparent communication about the study's purpose and potential impact ensured the participants' well-being and rights were respected throughout the research process.

## **FINDINGS**

The research question is what are the gaps in the characteristics of stakeholder relationship management success between what is reported in the literature, practice standards, and practitioners? As previously described, this contains two specific research questions. The findings are organized along the research questions. Verbatim (in vivo) phrases are shown by quotations.

### **Research question 1 (RQ1): What constitutes successful stakeholder management?**

This question was answered using the responses to survey question 1 (Successful Stakeholder Management) , question 3 (Stakeholder Engagement Issues), and question 4 (Balancing Conflicting Needs and Expectations) described on table 1. In this research question, respondents were asked to identify elements which are necessary for success. Three themes emerged including a simultaneous focus on present as well as the future, regular/ consistent communication and being on the same page results in delivering to expectations. A summary of the findings for RQ1 is found on table 2.

To summarize, one of the best definitions is that success is...*“a sale at a mutually satisfactory price, delivery of the promised service/product and satisfied stakeholders who offer positive feedback.”*

### **Research question 2 (RQ2): What is the cost (or Return on Investment [ROI]) of managing stakeholders?**

This question was answered using the responses to survey question 2 (Stakeholder Management Cost). In this research question, respondents were asked to address the cost of



\*not\* managing stakeholders which can lead to dissatisfied customers, late deliveries, and lack of return business to name a few. Respondents were asked how they quantify the cost of stakeholder relationship management. Essentially, this question is about the business case for spending time and money on stakeholder management. Only a single theme emerged: quantifying management costs. A summary of the findings for RQ2 is found on table 3.

| Table 2<br>SUMMARY OF RQ1 (SUCCESSFUL STAKEHOLDER MANAGEMENT) FINDINGS   |   |  |
|--|---|--|
| Theme  | Summary [n=96]  | Key Responses [in vivo in italics]   |
| Simultaneous focus on present as well as the future  | Continuous  | <i>Success means meeting customer expectations on time and budget, and continuation of customer business and relationship</i>  |
|  |   | <i>At every stage gate (milestone), the next phase needs to be reviewed and deliverables highlighted</i>   |
|  | Future Benefits   | <i>Continuation of customer business and relationship</i>  |
|  |   | <i>Ability to build your credibility</i>   |
| Communication  | Regular   | <i>...to ensure stakeholders are engaged and support your project</i>  |
|  |   | <i>Results in efficiencies to identify... stakeholder needs/wants; adapt services/products to the need; assess the value/price relationship; market/promote/sell the service; deliver the promised service; evaluate the entire effort; follow-up with stakeholders.</i> |
|  |   | <i>Need socialization and engagement to gain support, buy-in and approval of the project</i>   |
|  |   | <i>Failure in regular communication will result in need for critical communication, often one-on-one in order to resolve misunderstandings and to placate upset stakeholders.</i>  |
|  | Consistent  | <i>Providing a brief, succinct status in a consistent agenda style ... helps to keep everyone focused</i>  |
|  | Proactive   | <i>Solicit thoughts and expertise on the move forward plan</i>   |
|  |   | <i>Allow the rest of the organization to read the comments to provide perspective for their stakeholder engagement.</i>  |
|  |   | <i>Client lets you know of a coming project.</i>   |
|  |   | <i>Client calls you out of the blue for advice</i>   |
|  |   | <i>Requires anticipation and knowledge of the customer's buying habits and needs</i>   |
|  | Appreciation  | <i>Verbalizing and showing appreciation for their involvement.</i>   |
|  | Barriers are Multi-Dimensional  | <i>Barriers are distance ---geographical and cultural.</i>   |
|  |   | <i>Time including limited availability or accessibility</i>  |
|  |   | <i>Priority of other projects or stakeholders, special interest groups or gatekeepers who block your access</i>  |
|  |   | <i>Experience levels</i>   |
| <i>Legal or regulatory barriers including cut-off direct communication except through contracts negotiators.</i> |   |  |
|  | <i>Jaded customers [because] we only talked to them when there was a competition.</i> |  |

|  |  |  |
|--|--|--|
|  |  | <i>Difficult people, strained relationships; egotistic or headstrong people.</i>   |
|  |  | <i>Personal bias or negative attitude toward contractors; egotistic or headstrong people.</i>  |
| Being on the same page results in delivering to expectations | Efficient Decisions and Problem Resolution | <i>Key resource might not be assigned or could be taken away [because they] do not have an accurate idea of true status and the plans for closure.</i> |
|  |  | <i>Decisions made do not have to keep being re-made</i>  |
|  |  | <i>Efficient testing and the acceptance into the field.</i>  |
|  |  | <i>Improved risk identification, requirements definition, and schedule management...which will have direct impact on quality deliverables.</i>         |
|  |  | <i>Enhancing "one team" approach and attitude working toward the common goal.</i>  |
|  |  | <i>Should exploit common grounds, if any, setting aside differences.</i>   |
|  |  | <i>Will avoid ... deviation from set goals and standards.</i>  |
|  | Intangibles                                | <i>You basically win their hearts and minds</i>  |
| <i>Become a "value-added" resource for the stakeholder</i>   |  |  |

| Table 3<br>SUMMARY OF RQ2 (RETURN ON INVESTMENT) FINDINGS |  |  |
|---|--|--|
| Theme   | Summary [n=61]   | Key Responses [in vivo in italics]   |
| Quantifying management costs                              | Obvious and self-evident   | <i>Business case for stakeholder management writes itself.</i>   |
|   |  | <i>Easier to quantify during the pursuit of a new business opportunity; more difficult to quantify during project execution -</i>                                  |
|   | Yes-quantifiable   | <i>Difference between the P(win) of doing it - P(win) of not doing it</i>  |
|   |  | <i>Ratio of dollars won to dollars at stake.</i>   |
|   |  | <i>Value of meeting the needs of the organization and expectations of stakeholders</i>   |
|   |  | <i>Value of meeting the delivery deadline within budget</i>  |
|   |  | <i>Collect data on what was learned and used via the Stakeholder Meetings</i>  |
|   |  | <i>Measured by soft ROI of saving resources (cost avoidance)</i>   |
|   |  | <i>Measured from zero defects</i>  |
|   | Only when not working well   | <i>Easier to measure when it [stakeholder management] is not working well since not managing stakeholder can be costly.</i>  |
|   |  | <i>Only quantifiable if lessons learned concludes that a major factor in the loss or win was poor stakeholder management</i>                                       |
|   |  | <i>Measured from quality delivery non-conformance</i>  |
|   |  | <i>Measurable if you have penalty clauses.</i>   |
|   |  | <i>Regulatory fines</i>  |
|   |  | <i>Only quantifiable if the project is abandoned and the project is implemented and paid for in phases meaning that future phases are halted</i>                   |
|   |  | <i>Project hours and wage earnings can be calculated for rework and for projects that exceed the established timelines.</i>  |
|   | <i>Quantify in terms of business loss for the down time ... due to stakeholder mismanagement</i> |  |
|   | Not quantifiable   | <i>Substantially difficult; not quantifiable</i>   |
|   |  | <i>[Lesson learned approach used to] interview key participants in the program pursuit/renewal process ...with the intent of determining: Why Did We Win/Lose?</i> |

|  |  |
|--|--|
|  | <i>Risks of not meeting stakeholder expectations should be logged and monitored through the risk management process of each project.</i> |
|  | <i>Bad reputation costs how much? ---- this is a significant factor</i>  |
|  | <i>Money which is spent on stakeholder management is already an element of the project funding and can't be separated out.</i>           |

## DISCUSSION

As previously described, this research contains two specific research questions. The discussion is organized along with the research questions.

### **RQ1: What constitutes successful stakeholder management?**

Findings for this research question resulted in three themes: (1) simultaneous focus on now and the future, (2) effective communication, and (3) being on the same page resulting in delivering the expectations. Consistently, respondents said that the key to success is a repeatable process, training for the stakeholder management team, holding the team accountable for a consistent application, and performing a post decision analysis of the effectiveness and needed improvement of the plan.

***Theme 1: Simultaneous Focus on Now and the Future.*** Respondents described the need to not only focus on success with the current project or operations, but also into the future. The emphasis was on a continuous review of the meaning of success from the perspective of the customer. It is noted that the emphasis here was on the customer, rather than on the myriad of other stakeholders. Respondents noted a variety of future benefits including intangible elements of trust, credibility, reputation, and brand recognition. The key was an emphasis on continuous data gathering and action.

One of the best responses to what constitutes success was expressed as “*success means meeting customer expectations on time and budget, and continuation of customer business and relationship*”. While this is rather broad, it explains this simultaneously focus quite well.

This theme does not appear in the literature to any great extent. As in the literature review, Cleland and Gareis (2006) discussed how effective stakeholder management can help build trust and improve relationships with stakeholders, leading to increased collaboration and support for future projects. More recently, Gemünden, et al. (2018) conceptualized project entities as entrepreneurial and future stakeholder-oriented innovating organizations. However, neither source emphasizes the simultaneous focus on now and the future, making this finding a possible gap in the literature.

***Theme 2: Communication.*** Respondents described the importance of effective communication as the primary element of stakeholder success. This included having regular, consistent, and proactive communication. Of particular interest is how respondents gave specific examples of proactive customer/client behavior including soliciting input before moving on and requiring anticipation and knowledge of the customer buying behavior. Respondents also

provided specific ways to measure this success. This includes documenting that a “*client lets you know of a coming project and when a client calls you out of the blue for advice*”. Those statements capture the essence of measurable proactive engagement.

Only one respondent commented on the need to express appreciation, however, there are several recent academic sources which discuss this concept (Morency et al, 2020; Pucher et al., 2017; Zhou, 2014).

It is noteworthy of the specific multi-dimensional barriers to communication which were identified. These included geographical, cultural, time, priority, experience levels, legal, personal biases, and personal conflicts. This finding is consistent with the broad array of literature on this topic (for example, Bourne & Walker, 2005; Davis, 2016, 2017; Mantel & Meredith, 2011; Pinto & Slevin, 2017).

***Theme 3: Being on the Same Page Resulting in Delivering the Expectations.***

Respondents primarily focused on efficiency in decision-making so that “*decisions do not have to keep being re-made.*” From the respondents, it is unclear if this economic focus is a result of the effective communications, or a factor in achieving effective communications. However, none of the respondents provided tangible ways to measure the financial results of efficient decision making with intangibles noted include “*win[ning] their hearts and minds and becom[ing] a “value-added” resource*”. Efficient decision making in stakeholder engagement is well covered by several recent sources (Alqaisi et al., 2018; Lin et al, 2017; and Tarode & Shrivastava, 2022).

**RQ2: What is the cost (or Return on Investment [ROI]) of managing stakeholders?**

This question is narrowly focused and only has one theme: the degree to which one can quantify management costs. A few respondents commented that the answer is obvious and self-evident, such as the “*business case for stakeholder management writes itself*”, but without any specifics on how to do this or why it is self-evident.

A small number of the respondents attempted to quantify the cost by measuring the cost of the value proposition to include dollars won vs. dollars at stake, cost avoidance by not having to rework products, and zero defects. Others identified necessary data collection to include lessons learned during stakeholder meetings, but the precise calculation is unclear.

Most respondents focused only on quantifiable costs only when the project or program was cancelled, at risk or generally not going well. This includes a variety of “unsuccessful” costs, including the cost of not being on the ground floor, penalties, fines, project abandonment, loss of sales, and defect analysis. For example, the cost is measured as the “*relationship between failure to win new or follow-on business as a result of poor stakeholder management,*” and the cost of “*poor or no stakeholder management is the value of reputation.*” This focus on quantifying the negative impact is similar to that found in measurement of the value an ethics program (Denney, 2018). Clearly, most respondents agree that it is easier to measure the cost of stakeholder management when it is not working well. There are only a few recent articles with a goal of measuring successful stakeholder management on a healthy (such as Davis, 2017 and Li et al, 2013) there is little evidence of how to specifically measure the value. Additionally, a few,

such as Arafat, (2020) and Robu and Lazar (2021) discuss ROI, but with focus only on time savings, not the broader topic of investments vs. return.

Although the cost of stakeholder management was identified as challenging to quantify, the ROI of stakeholder management presents an area for more extensive exploration. ROI could be measured not only in terms of financial gains but also in the context of improved project outcomes, enhanced stakeholder relationships, and better risk management. For instance, effective stakeholder management could lead to a more streamlined decision-making process, resulting in cost savings. Further, enhanced stakeholder relationships can lead to increased opportunities for collaboration, potentially leading to new projects and revenue streams. Similarly, better risk management as a result of effective stakeholder management could prevent costly project delays or failures. Therefore, it is imperative to develop a multi-dimensional approach to measure the ROI of stakeholder management, which considers both tangible and intangible returns.

## CONCLUSIONS

In conclusion, this phenomenological study investigated the success criteria for stakeholder management on projects and explored the gaps in the characteristics of stakeholder relationship management success between literature, practice standards, and practitioners. The research identified three themes for successful stakeholder management: (1) simultaneous focus on the present and future, (2) effective communication, and (3) being on the same page, resulting in delivering expectations. These themes emphasize the importance of continuous review of success from the customer's perspective, regular and consistent communication, and efficient decision-making.

In terms of quantifying the cost (or ROI) of managing stakeholders, the study found that respondents could more readily measure the cost of stakeholder management when it was not working well, rather than when it was successful. This indicates a need for further research to develop robust methods for quantifying stakeholder management costs and understanding the relationship between these costs and the success of stakeholder management efforts.

The findings of this study contribute to the literature by identifying a possible gap regarding the simultaneous focus on the present and future in stakeholder management. Additionally, the research provides practical insights for project, program, and portfolio managers to enhance stakeholder management success criteria and improve project outcomes.

Further research is necessary to explore the practical implications of these findings and develop robust methods for quantifying stakeholder management costs. Moreover, future research could investigate how to measure the value of successful stakeholder management and delve deeper into the ROI of stakeholder management efforts, considering not only time savings but also the broader topic of investments vs. return.

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