STAKEHOLDERS COMMUNICATION APPROACH: A NEW ERA

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Abstract

The aim of this paper is to demonstrate that as communication must be transparent and clear and democratic, this means know why and with whom we are communicating. Are stakeholders all equal? Do they need the same strategic communication approach?

Throughout a literature review that suggests how to identify the stakeholders and how to manage them, it is proposed a new communication oriented approach as it is established that a two-way communication approach is the business model for the future.

It is suggested to investigate relationship and agreement attributes to help the project manager in categorize the stakeholders from the point of view of communication approach. These attributes are strictly connected with communication strategy as they could be modified through the right communication approach. Also it's suggested to share the identification phase of the stakeholders with the identification phase of the risks, in order to build risks/stakeholders matrix that should be integrated with relationship and agreement attribute for each stakeholder.

For each stakeholder should be ethical to shape the more appropriate communication approach. By using a new paradigm of the well-known rhetorical triangle, pathos, logos and overall ethos are the constraints to solve to build the right communication approach for each stakeholder.

The results of this study reveals that the application of the new attributes, relationship and agreement throughout the stakeholder shape tool, combined with the re-engineered rhetorical triangle will drive the project manager toward the right communication approach for each stakeholder and a successful communication plan.

Key words: *stakeholders, communication, ethics, project management*
JEL code: O15, D8

Introduction

In literature there are many definitions on what is a stakeholder, indeed the debate is very open, sometime confuse and contested (Miles, 2012). One of the most accepted definition is by Freeman (Freeman, 1984) "any group or individual who can affect or is affected by the achievement of the organization's objectives" that is quite similar to the one we find in PMBOK "An individual, group or organization who may affect, be affected by, or perceive itself to be affected by a decision, activity or outcome of the project" (PMI, 2013).

These definitions are, indeed, very widely and without any doubt, to stay alive, the project manager needs to assign attributes to each stakeholder to manage him/her in the best way.

In literature the most used attributes to analyze and prioritize the stakeholders are:
• power,
• legitimacy
• urgency
• proximity
where (Snauwaert, 2012):

- "Power is the ability of those who possess power to bring about the outcomes they desire (Salancik & Pfeffer, 1977)
- Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995, p. 574)
- Urgency is the degree to which stakeholder claims call for immediate attention (Mitchel et al., 1997)
- Proximity is the degree to which stakeholders are closely associated or relatively remote to the organization/ project (Bourne & Walker, 2006)".

Also, there are different models for classification such as "regulator, controller, partner, passive, dependent and non-stakeholder" (Mainardes et al., 2012).

In the vision of Mitchell et al. (1997), the classification options are: dormant stakeholder, discretionary stakeholder, demanding stakeholder, dominant stakeholder, dangerous stakeholder, and dependent stakeholder.

In addition, stakeholder classification is not confined only to human beings. Maheshwari and Pillai (2004) also suggest a "non-social" classification in which they consider fauna and flora as well.

As we can see, still, there are many ways in literature to identify stakeholders but always with the aim for the company "of which of them, and to what extent, should be included in its strategic issues, as all sides will not always have equal interest in certain topics or problems." (Maheshwari et al., 2004). Nevertheless "A two-way communication and cooperation with stakeholders represents the business model of the future" (Krstić, 2014).

Stakeholder classification is a very complex topic and it is fundamental that the project manager (and program or portfolio manager) classify them in order first of all to rightly communicate with each stakeholder.

With the aim of a better focus on stakeholders' communication, in 2012 and 2014, a tool was presented called the StakeholderShape (StSh) (Bragantini, 2012 – Bragantini, Ferrante, 2014).

Basically the tool suggest to integrate the identification phase of stakeholders and risks in order to build a new stakeholders/risks matrix, that is one of the element to shape the right communication approach for each stakeholder (Table 1).

Table 1

Stakeholdershape tool activities

Process	To do	New activities
Initiating	Identify Stakeholders	Collect also agreement and relationship values (absolute values from 0 to 100)
Planning	Identify Risks	While compiling risks register also introduce for each stakeholder the influence for that risk comes true (percentage)

Source: Bragantini (2014)

The attributes used in the stakeholdershape tool, relationship and agreement, were chosen because are strictly correlated and influenced by the communication activities that the project manager can take over the project.

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In this way the stakeholdershape tool grants the mapping of each stakeholder as part of a broader vision (systemic). Each stakeholder has his/her own shape and it is mapped, firstly, considering relationship and agreement that are attributes much more important to build the correct communication plan.

The mapping of the stakeholders is, in this paradigm, functional to the building of the communication plan (Figure 1, Bragantini and Caccamese, 2015).

Fig. 1. **Stakeholdershape iterative process (Bragantini and Caccamese)**

No doubt, therefore, that communication is not only a personal competence or skill, but also and overall, should be recognized that communication is a prime mover in the execution of a project (or program or portfolio): "Without communication there is no efficient management, or even life. Human is a social creature, so he/she lives in a group, which demands continuous exchange of information" (Wziątek-Staśko, 2011).

Communication

In common practice at least 70% of project manager time is dedicated to communication, and some sources suggest a higher percentage close to 90% (Bourne, 2009). Communication (from the Latin *cum* = with, and *munire* = bind, build, and always from the Latin *communico* = to share, to participate) is sharing something with someone, and stakeholders are precisely those with whom such sharing should be implemented. It is therefore evident that stakeholder management is strictly linked with communication. And vice versa, communication is sharing information to and from stakeholders.

As stated in A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Fifth Edition, one of the interpersonal skills of a project manager is communication. In addition, The Standard for Program Management – Second Edition observes how "the most

important competence, however, is communication" and again "Communication is the primary tool for managing stakeholders" (PMI, 2008).

The communication process is undoubtedly complicated and it is for this reason that many projects fail. The communication is the prime mover for a successful project: fostering communication between stakeholders can lead to better understanding (Jensen and Uddameri, 2009). And without doubt, communication is a process and an activity common to all stakeholders (Stephens et al., 2005): "Competent communicators should also be able to use communication behaviors to organize their work process" (Keyton et al., 2013).

Communication is also matter of corporate social performance (CSP). Barnett and Salomon (2012) in a study on the relationship between corporate social performance (CSP) and corporate financial performance (CFP) found that "firms with low CSP have higher CFP than firms with moderate CSP, but firms with high CSP have the highest CFP." As a matter of fact the right communication approach raises the CSP value of the firm so each organization must put special emphasize on communication themes (Figure 2, Bragantini 2017). And "In large for-profit and not-for-profit organizations, communications most definitely have ethical implications" (Dekay, 2011).
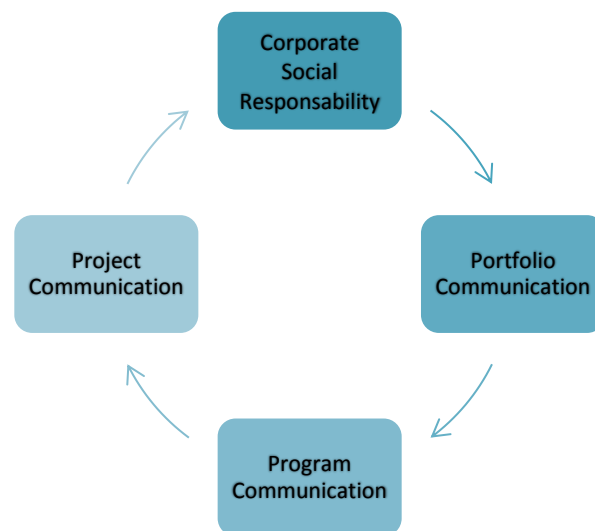

Fig. 2. **CSR – Communication cycle (Bragantini)**

Also, in Barkse and Pullin cited by Keyton et al. (2013), recent studies "have demonstrated the importance of positive social-emotional communication in overcoming communication problems (especially in creating work relationship)". Ultimately, this translates into a communication plan that will include the use of communication channels, the "how", such as one-on-one meetings, conference calls, group meetings, focusing the messages, the "what", in terms of caring and empathy to improve stakeholders' relationships, that is one of the attributes in the stakeholdershape tool.

In this case the communication plan should be focused on an interactive scheme, keeping in mind that, according to the Center for Risk Communication (Carpenter, 2012), one of the key elements, the "what", are caring and empathy.

If, instead, the communication plan needs is more weighted towards the stakeholders agreement, this translates into a communication plan that will include the use of certain communication channels, the "how", such as one-on-one meetings, conference calls, group meetings, focusing the messages, the "what", in terms of competence and expertise to persuade the stakeholders of the value of the project and its benefits (Pritchard, 2004).

In 2012 Caccamese and Bragantini suggested the existence of a soft pyramid to drive the project, in contrast with the old conception of the iron triangle (Atkinson, 1999 – Bernroider et al., 2011 – Toor and el., 2010). The theory presented is that "the management of "soft" factors in a constrained environment (the "soft pyramid") should complement the traditional effort of managing "hard" factors in a constrained environment (the "iron triangle")" (Caccamese and Bragantini, 2012).

The spaces for the softs factors are:
- "motivational space. This is the space available for the project to activate the context for individual motivation. For example, like working conditions, job security, advancement, growth, power, affiliation, esteem, decision-making processes, rewarding systems (Verma, 1995);
- social space. This is the space available for the project to activate the protocols for acceptable behaviour. These are made of both task-related rules as well as social rules, like punctuality in task completion, agreed time to read and respond to messages, respect of consensus decisions, honesty, truth, preparation for and attendance to meetings, punctuality on meetings (Whatley, 2009);
- analytic/holistic space. This is the space available for the project to foster and facilitate the development of individual thinking models. The analytic model is centered upon analysis, linearity, sequentiality, reductionism and places high value upon expansion, competition, quantity and assertiveness. The holistic model is centered upon synthesis, non-linearity, parallelism, holism and places high value upon preservation, cooperation, quality and associationism (Capra, 1982)."

If it is true that coordinating a project, thought in an iron triangle logic, require a great effort from the project manager in term of communication it is more true that this effort must be surely heighten in a soft pyramid paradigm where the soft spaces are all strictly correlated with the etymology of the word communication.

Therefore, communication is the real core of the project, not the quality, not the scope, not the time or cost, not even the soft factors: just communication is the seed for a successful growth of the project.

Also from the comparison from PM 1.0 and PM 2.0 (Kerzner, 2014) it's evident that "stakeholders are expected to make informed decisions rather than just any decisions." And in this view we must adopt a two way communication approach (Table 2).

Table 2

PM 2.0 communication approach

Factor	PM 1.0	PM 2.0
Overall communications	Localized	Everywhere
Access to information	Localized and restricted	Real time, unlimited access and globalized
Amount of documentation	Extensive	Minimal
Communication media	Reports	Dashboards
Frequency of metrics measurement	Periodically	Continuously, in real time
Role of software	As needed	Mandatory
Software tool complexity	Highly complex tools	Easy to use tools

Source: Kerzner (2014)

An interesting survey demonstrates how the most important criteria for effective communication is the depth and accuracy of content (Table 3).

Table 3

Ranking of criteria for effective communication

Criteria	1 (most important)	2	3	4 (least important)
Depth and accuracy of content	50%	35%	11%	4%
Tailoring content of target audiences	39%	32%	17%	12%
Grammatical/mechanical correctness	6%	27%	49%	18%
Proper format	4%	8%	26%	62%

Source: House et al. (2009)

And what about the "why"?

The project manager must be ethically responsible and must know the "why" we are communicating, because the answer to the "why" gives the opportunity to communicate an ethical content and with ethical principles. That means the right accuracy and depth and right approach to each target audience (stakeholders).

If you know the "why" you know the "what" and the "how "!

In this view it is proposed a very easy to use tool, the well-known rhetorical triangle re-engineered (Figure 3, Bragantini, 2017), that in a PM 2.0 world, helps the project managers to

find the right communication approach for each stakeholder. Solving the triangle for each stakeholder would address the project manager toward a successful communication plan.
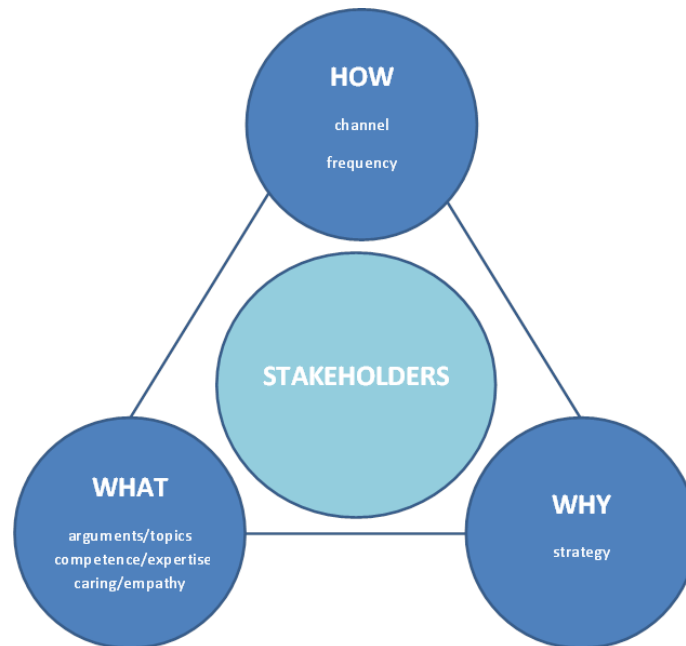

Fig. 3. **Re-engineered communication triangle (Bragantini)**

Conclusions

Especially in contexts that are becoming on time and on demand, the response of the project manager must be timely and therefore requires a suite of tools that with limited data (the attributes of stakeholders) can be updated quickly in order to constantly identify with whom (stakeholders), how, what and overall why communicate.

Corporate Social Responsibility increases through ethical communication approach and in a PM 2.0 frameworks it's more and more important to clearly discover the strategic needs of communication: the "why" (ethos) we are communicating something to each specific stakeholder.

The use of the stakeholdershape tool combined with the re-engineered communication triangle would drive the project manager to the right strategic approach in order to collect the "what" and the "how" information to build a successful communication plan.

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