

# The Impact of Stakeholders Experience on PM

Khalid H. Assiri<sup>1</sup>, Fahad F. Alaamer<sup>2</sup>, Khalid A. Alnefaie<sup>3</sup>, Nawaf L. Almutairi<sup>4</sup>

<sup>1,2,3,4</sup>Deanship of Postgraduate Studies, University of Jeddah, Jeddah, KSA, PO 23218

Email address: khalid.assiri @ gmail.com

**Abstract**— Much of the projects around the world facing a lot of a hard time to achieve their goals for many reasons. These projects have many failed reasons for fails or undelivered to the owners in satisfy conditions. One of these reasons is the stockholders of the projects and their background and their experiences base on their relationship. This article will discuss many of the stockholder relationship and their effects on project progress. We will discuss their experiences and expertise and how much effect on the project progress. Their activity during project progress steps and their effort in to each step. We will discuss their roles to support the project to achieve the projects goal. The data collection and studying methodology that used on this paper are surveys by many of interested persons regarding the article topic. There are 8 questions distributed to deferent kind of involved people as project managers, PMP trainers, PMP certified and other interested persons. This article use quantities and qualitative analysis tools for comparing information. Also stakeholder prioritizing tool has been used to understanding the stockholders and defining their influence on the project performance in addition to reflect the power effective. In the end of this studies we summaries the stockholder into 4 groups each of them have level of prioritize on the project with different level of power those are (PM, managers and directors) high power high influence group (high/ high) which are have full effective on the projects. 2nd group is low/low those are the lowest affective persons on the project progress, the other two group have intermediate level. Finally, the stockholders affective on the project can be changes based on many criteria his power, experience and the influence on the project.

**Keywords**— Stockholders, projects, enterprise projects, managers, board of directors.

## I. INTRODUCTION

This paper will discuss the stockholders and their effects on the enterprise projects and their experience and how much effect on the project performance. This will cover many of the other papers that had been written on this matter in the past years. The aim of this paper is to discover the project's challenges linked with the stockholders and their effort to pass these challenges. The stockholders include Project manager, Engineers, Team members, Managers, Resource managers, Executives, senior management, Company owners, Investors, Sponsors, Financiers, Suppliers, Vendors, Consultants, Customers, and End-users. All of those members have a role in the project, each of them have owned effective on the project based on his role in the project. The effects can be measures during the risk assessment phase to understanding very well how to avoid the consequences, that may cost the project too much money and time.

## II. PROJECT STAKEHOLDERS

The stockholders of projects are all member persons or entities shared the goal and result of the project proposed for. Those members have an impact on the progress of the project at different

levels from the strategy level up to the operation level. Those stockholders can be CEO, Managers, or labourer's as well all of them have different impacts on the project. Of course, there are various of project failures reasons ex. political reasons, budgetary reasons, administration reasons, and stockholder's experiences which will be covered by this article.

## III. STOCKHOLDER MANAGEMENT

Stockholders are considered to be a major secure of difficulty in projects [9]. The important issues to the project including, witch stockholder are related and how the effect the project, and what their project motives are [9]. The stockholders can be either supported or not, thus it is important to understand and measure the impact that the can case into the projects [9]. So stockholder management is considering a major part of project management [9]. Project management usually requires a variety of different styles of Stakeholders: the client, the business, and the boss Project. [4] The project manager is the contact with the client and the business with which he or she is working, which must effort to fulfil the needs of all primary stakeholders.

## IV. LITERATURE REVIEW

Stockholders defined as an individual or groups of individuals who are effect on the projects [1]. A strong cooperation of stockholder is success criteria of any project [1]. Xin Liang, Tao Yu and Li Guo [1] the reasons of stockholder's management are to achieve the project goal by keep moving on development of their relationship. The executive, senior managers, project managers and project owners are high-level project successes players. We already know that when organizations embrace project, program, and portfolio management practices, they have better results. Yet even those organizations that are high performers rarely pay enough attention to benefits management. They might be good at completing projects and programs successfully but rarely connect those projects back to the business purpose often because they have failed to identify the expected benefits before the start of the project and that leaves value unrealized [10]. So that becomes the main function of the board of directors and higher management to identifying the project's overview plan and its benefit. However, the board and higher managers have many impacts on the project progress that make sure the delivery of the projects on the expected condition.

### *Board of Directors and Higher Managers*

The board of directors and management have to ensure that the project is fully resources and shows administrative support, they have full authority for finding the necessary resources for all the organization and its projects. These resources including people, money, time, etc. have to show a strong commitment in front of the projects team [3]. The board of directors has to have a clear project plan, to supervising the CEO also all organization employs. The CEO and the organization manager are implementing a lot of action planes in projects. So the board can ensure those plans are fully developed and implemented [3].

Board members providing a wide range of useful expertise, often have a wide range of useful skills for governing the organization, such as planning, leadership skill, management, supervision, and problem-solving. They have many more skills like technical knowledge and other useful skills during a project lifecycle<sup>[3]</sup>.

They also have proved time and energy to help the implementation of the project plan. Employees are already overloaded. Giving them yet more work to do during your project can completely overload them such that they collapse altogether, which could significantly damage the organization. So board members still can help with the implementation of various plans by helping to develop and oversee the development of plans. Plans might be to address issues in strategic planning, marketing, staffing, or financial management<sup>[3]</sup>. The board of directors provide an objective assessment of the project issues and results. They are usually not involved to grate deal with in day to day activities of the projects. Consequently, they often retain an objective perspective on the activities and the result of the project. Their perspective can be useful when addressing issues in the project and evaluating the results of the project<sup>[3]</sup>.

#### *Vendors and Client (customer)*

Numerous research studied the risk factors of outsourced IT Projects, please. They highlight a variety of main threats, such as unsuitable vendor's. Inadequate or unfinished contracts. In general, two companies are interested in an IT outsourcing project: clients. The sellers (IT providers). Depending on their partnership with the firm, the customer and the provider also sees project performance and risks differently because various corporate priorities and structure. From the expense of Perspective, the consumer needs a quality commodity to be delivered on time, without any flaws and under the target. The seller needs a high-profit project to be finished on schedule with no overrunning costs or surprises. That's it. The difference in perception can lead to a misunderstanding and a conflict between two of the parties. Both the customer managers and the vendor managers share. In comparison, IT Outsourcing arrangements are negotiated in part on future risks; thus, understanding how different clients and vendor managers view risks The design of contracts that fit into the win-win category is crucial. In order to have Comprehensive information on risk control, discussed in this report Perception of the discrepancy between the customer and the provider about the project. Vendor management operates to deal with this complexity: it is a practice that researches and obtains quotes for cost, skills, and efficiency and turnaround times. It also includes contract agreements, partnership management, work tasks, success assessment and allocation of payments.<sup>[2]</sup>

Risks and addressed the following questions: What are the agreements and disagreements between the client's and vendor's perspectives on risk factors in IT outsourcing projects? What are some of the approaches that can be used to reduce the disagreements and mitigate the divergent risk factors? To answer these questions, we used a quasi-Delphi technique with two groups of IT outsourcing experts: client managers and vendor managers. The analysis results revealed that each party cannot anticipate every risk scenario, and there is the need to see the inconsistent perception of risks and then address risks from both perspectives in a partnership arrangement. Insights into how both parties perceive risks may help both the client and the vendor to understand their perception discrepancy and determine how to manage project risk collaboratively to achieve outsourcing success.<sup>[7]</sup>

In project management customers voice their opinions of the project supplier's functioning during consecutive stages in system

delivery projects. Extant literature identifies different numbers of successive stages in projects. The aim of the "phasing" of the project is the reduction of risk and uncertainty inherent in every project, thus enabling better project management and control The Project Management Institute (2013), for example, identifies the stages as initiating, planning, executing, controlling and monitoring, and closing. By definition all these stages include multiple sub-stages, which can then consist of multiple activities.<sup>[8]</sup>

#### *Consultants*

Around the world, management consultants have become increasingly visible and influential actors in the formulation and implementation of policies aimed to restructure public services while policy consultants have helped to shape the purpose, direction and funding of services, the declared aim of management consulting firms is to help clients in the reform of structures, governance and service provision. The latter advise and facilitate, but also act as an extra temporary resource in the implementation of reforms .Less formally, they often serve to legitimate decisions and changes to stakeholders. Partly for these reasons, the global demand for management consulting advice from governments, public sector organizations and transnational agencies has grown exponentially since the early 1990s .Within Europe, public sector management consulting use represents 13 per cent of all management consulting turnover (compared to manufacturing and service sectors), although this varies from 9 per cent in Germany to 22 per cent in the UK .In the UK, this use also differs between subsectors, with Defense, Central Government and the National Health Service (NHS) being the largest users respectively accounting for 28 per cent, 26 per cent and 14 per cent of total consulting fee income.

Management consultants have both played an important part in several countries Creation and implementation of public administration reform policies. In 1968, the United States McKinsey and Co are respectfully employed by the Bank of England Consultancy Company for guidance on their reform, in the footsteps of other government departments The British Railways Commission and British Broadcasting are the Post Office, Society. In the following, civic consulting impact With policies related to privatization, the sector has improved core 'a gentrification' Political operations and IT framework growth.<sup>[8][7]</sup>

#### *End User*

The end user is the term used by people who currently use a commodity, either on a daily or frequent basis, as part of their own jobs. End consumers are 'hands on' clients and work closely with different goods and tools to fulfil the commercial needs of their own company. Since they interact so closely with the manufacturer, the end customer is known to be one of the greatest points of insight about how good the product really works and how useful it is.<sup>[8][7]</sup>

There are a few functional positions on the production team that can approximate the position of the end user. Brand managers, who are supposed to be the voice of the consumer, are also the aggregators of end-user reviews. Although this feedback loop offers the product owner useful insight into end-user experience, product owners frequently concentrate on expanding potential deliveries and revenues rather than current goods. Similarly, all the reporting, customer interface and quality assurance workers will be on occasion.

#### *Resource Manager*

Human resource management (HRM) is now being revived in organizations and its strategic position is increasingly being

proclaimed. However, within the context of an empirical analysis carried out by Pinto and Prescott the findings of an empirical study controlling the project, Contradict the inclination. These writers concluded that the "Staffing Factor" was the only factor involved in their for project success, study that was marginal.<sup>[2]</sup>

Project management has been a main concern nowadays, in most modern companies, operation. Normally, ventures have a wide range of goals, including various they are internal and external actors, and are carried out in separate fields of operation. Many academics and scholars since 1980, Practitioners also concluded that the management of human resources (HRM) is one of the most important components of an enterprise. Success in an organization.<sup>[2]</sup> HRM is being built today, Renewed and steadily affirmed in organizations the strategic feature. The conclusions of an observational analysis, however, this pattern is contradicted by Pinto and Prescott. Inside a field Analysis built to assess improvements in the value of 10 Important progress drivers through the project's four phases The writers argued, in the life cycle, that the "resources" Just a minimal variable in project performance is a factor. These somewhat surprising observations were highly criticized by Belout.who proposed that further studies should be carried out. The findings and conclusions of Pinto and Prescott need to be re-tested. Answer the basic questions: (1) is workers an important element in the progress of project management? (2) Inside the paradigm used is the relationship between the autonomous Variables and the progress of the four programs impacted by the project Stages in the life cycle? And (3) Execute hierarchical processes Sectors of project operation have a moderating impact on The link between essential factors of performance and Project Achievement?<sup>[2]</sup> A resource manager is a position in project management teams that you do not see as much. It is not that their work is not as critical as that: quite the reverse. However, more frequently than not, resource conservation activities are broken into many functions. In this post, we will shed more light on a resource manager's position and maybe even persuade you that it is a valuable investment for your company to have an individual exclusively responsible for handling project resources.

Efficient management of resources is important to the effective management of the project. When you have a team that is willing to fulfil your needs (both in terms of expertise and in terms of availability), coordination of a project is much simpler. The negative effects of bad resource management are commonly visible to businesses during their expansion. It is perfect to appoint own teams or to get management input when a resource dispute happens in a small enterprise. It is a good time to add a resource manager to the staff because there are more tasks, more workers and more PMs.<sup>[7]</sup>

#### *Senior and Executives Project Management*

As an area of practice, project management has arisen this is gradually being used by companies to Accomplish their corporate targets. As organizations describe the need for proposals, more of their practices as proposals, Managers are developing, and there is growing interest in Competence for project management. Project Competence Management workers are important because they are considered as being As having a significant influence on the success of the project and Therefore on company results .As One senior manager said: "The secret to the progress of the project is To select the best project manager"<sup>[8]</sup>.

Organizational improvements are known as a particular category of project that can benefit from the application of expertise in project management Instruments and processes. This pattern is consistent with signs of tension between Project Management and Transition Management in the marketplace over

who can handle business change. And not the only contenders are these. Company executives and senior managers, although they may engage both project managers and change managers, typically see themselves as taking the assistance of project managers and change managers. Lead places in the management of dramatic internal shifts and transitions. Since such efforts are more likely to take the form of Project administrators are seen by some as the more likely to be responsible for overseeing corporate transformation programs, involving several projects around the enterprise Corporate executives, Senior and senior managers are normally the owners of the transition, While both project managers and transition managers may be involved, they usually see themselves as playing the leading roles in key organizational roles.<sup>[7]</sup>

Alterations and transformations. As such, most endeavors are Programmers that involve several services are likely to take the form of Projects within the organization, Program Manager are Some think it more likely that they are accountable for Managing initiatives for organizational transformation.<sup>[8][7]</sup> A senior project manager is often thought of as a more experienced project manager. They are entrusted with larger and more complex projects, and may be put in charge of more projects at once. The exact job description and requirements will vary from company to company. A senior project manager may have additional responsibilities relating to the management of projects 'project manager. [8]

#### *Project Owner*

Usually, but not always, the project owner is the head of the business unit acquiring the product and shares business responsibility for successful completion of the project. In conjunction with the sponsor, the project owner will also serve as a "champion" for the project.<sup>[7]</sup> For the part of the workplace management team who specifically oversees short- and long-term tasks, the Project Executive is responsible. Usually, project executives are responsible for establishing overall schedule and project priorities and program and project success management.

There is a popular view in the project management community that Project Managers are managers of change or Agents for transition, yet others was of the view that initiatives or services that need Significant quantities of organizational and behavioral Change, especially those that could be identified as Shift in the 2nd order requirement for high communications capacity levels, astuteness, And awareness and a profoundly distinct approach to The candid, honest, and reasonable style of competent valuation Managers of Ventures. They also mean that department managers or project managers have been elevated to Program Manager. Roles are not necessarily relevant to the criteria of organizational reform initiatives.

## V. DATA AND METHODOLOGY

In order to understand the effects of the stockholder on project management, the paper adopted a number of sources of data collections. 1st survey performed with eight questions answered by a number of project managers and PMP trainers and PMP-certified people. The 2nd, interview done with PMP expertise and trainers. These will show the relationship between the stockholder and the project management and their effect on the delivery of the projects. On the other hand, we will collect information by umbers of textbooks included the stockholder influence on the project management that we will use it as based information for comprising with the data analyzed from the survey and interviewed. We will use quantitative and qualitative tools for the analysis method. An interest and power analysis tool will run to



prioritize the collected sample of stockholder to have a clear vision reflect the real role applied on the PM. Figure 1 shows the prioritize of sample of stockholder.

Stakeholder Power/Interest Grid Analysis

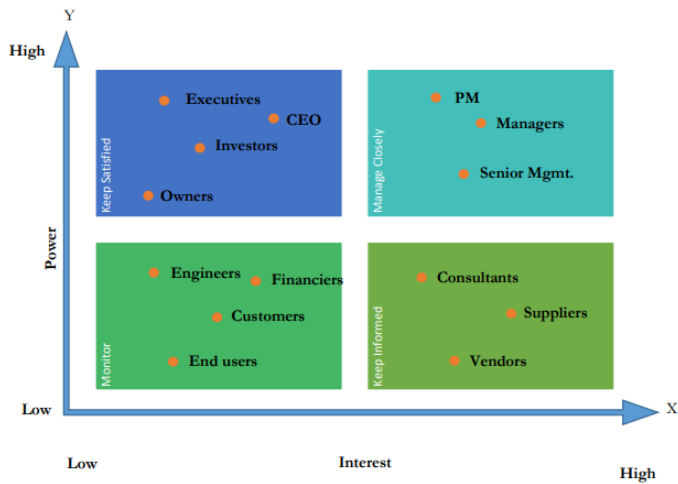


Figure 1: Stakeholder Power/Interest grid analysis.

Based on the stockholder prioritizing analysis in figure 1 and estimation of the influence for samples of stockholder. We defined the stockholder into four areas of power and interest stakeholders. Each area has value of power on the project effective and interesting. The low value is estimate by one and high by tow. Then the impact calculation of stockholder has applied by sample formula Interest + Power \* E to estimate the impact value. The table below shows the calculation of the priorities of stockholders. So the result the calculation is reflect how match the stockholder effect on the project positively or negatively. Based on the above scenario the influence of each of the stakeholder will be different based on the area is located on.

So the stockholder which is located on the low(x)/low(y) area they have minimum impact to the project or maybe no impact for some situation. The stockholder in this area only need to kept monitored during the project activities.

Whereas the low(x)/high(y) area stockholder have more influence and less power. Which many they are partially effect to the project based on their location and the relationship to other partner on the projects areas. Those part of the stockholder have to be kept informed for any changes and update or drop of the project management on all different levels. Those stakeholders can affect the progress of the project so it is important to project manager to keep in contact with all of entities on this area a synced with the update regarding the project activates.

Third area where the high(x)/low(y) area the stockholders are the most powerful in the project and have the highest impact on the projects. Those entities located to this area host be satisfied during the project lifecycle. Because those have the full authority form top of the project so they can harm the project and the can fully support the project to be success. So the people on this level mostly are the top CEO and board directors and top management and investors. Those are the leader of the project and the how has the power to provide the fund to require to achieve the project goal.

Fourth quarter of the high(x)/high(y) area is reflect the most powerful are entities. Those are mostly the project managers, senior managers and other sponsor managers that have directed effect to the project. Those are having the full power in the project and interesting as well. The have the necessary authority required

to lead the project to achieve the goal. So those are the most effected stockholders on the project and the failure and successful are linked with those areas of the stockholders.

Based on the stockholder prioritizing analysis above we can find the area of the most effective people in the projects. Next on the table1 will calculate the influence on the project for each of the stockholder samples. Will assume the experience of the stockholder have high value 3 and will give value for each of interest and power based on their quarter location then will apply the impact formula table1.

Prioritize & Impact Analysis Table

Top level						
Strategic Level	Interest (I)	Power (P)	Default Experience (E)	Influence	Estimated Influence	Impact= I+P * E
CEO	Low	High	High	+/-	4	12
Executives	Low	High	High	+/-	4	12
Owners	Low	High	High	+/-	4	12
Investors	Low	High	High	+/-	4	12
Intermediate level						
Management level	Interest (I)	Power (P)	Default Experience (E)	Influence	Estimated Influence	Impact= I+P * E
Managers	High	High	High	+/-	6	18
Senior Mgmt.	High	High	High	+/-	6	18
Consultants	High	Low	High	+/-	4	12
Project Manager	High	High	High	+/-	6	18
Bottom Level						
Operational Level	Interest (I)	Power (P)	Default Experience (E)	Influence	Estimated Influence	Impact= I+P * E
Engineers	Low	Low	High	+/-	2	6
Financiers	Low	Low	High	+/-	2	6
Customers	Low	Low	High	+/-	2	6
End users	Low	Low	High	+/-	2	6
Suppliers	High	Low	High	+/-	4	12
Vendors	High	Low	High	+/-	4	12

Note: Default value High=3, middle =2, Low=1

Table 1: Prioritize & Impact Analysis Table

Stakeholder Power/ Influence grid analysis

Above table is calculate the influence of the stockholders on several level of the project management. By represent the calculation on a graphs can show as the influence of each stockholder as clear graphical effective simulator that helps to understanding the role and influence of each of stockholder.

The stockholder influence will be number between 4 to 18 that reflect the amount of effective on the project. The influence graph will reflect the direction of the effected to other entities over the other areas.

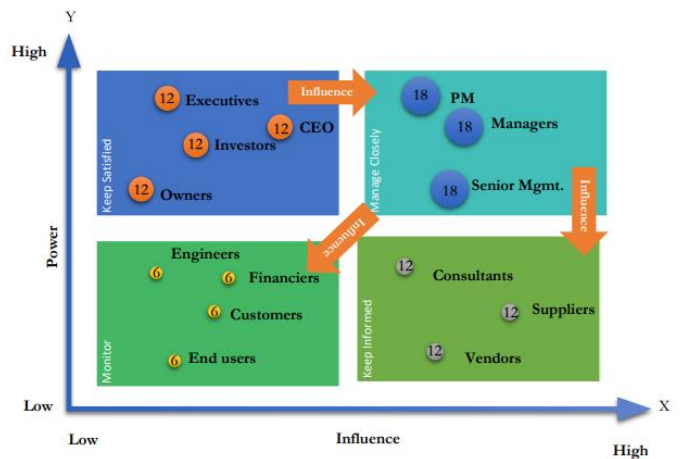


Figure 2: Stakeholder Power/ Influence grid analysis

The result the found out of a survey has been done to measure the feedback of interesting people for project management, the

statistic did with a sample of stockholders reflects the effect on project management. However, figure 3 shows the stockholder located on the H/L quarter has the most power to influence the project whereas the H/H quarter comes the next power persons and more influence on the project. The other H/L and L/H have an equivalent effect in the project rather than the other quarters. However, on the studies, we can summarize the influence with each stockholder has a level of effects based on his role on the project. Also have fund of the survey in the use of analysis and interpretation allows setting forward a thesis that stakeholders as a whole group out of using any division are important for the execution of the whole project. Their influences are so significant that it is likely to tell that they select also about the project completion or failure and it is important to lead them not only in the planning stage by doing recognizing them, but also in the realization phase determining their impact and business which they have in project execution and project closing phase.

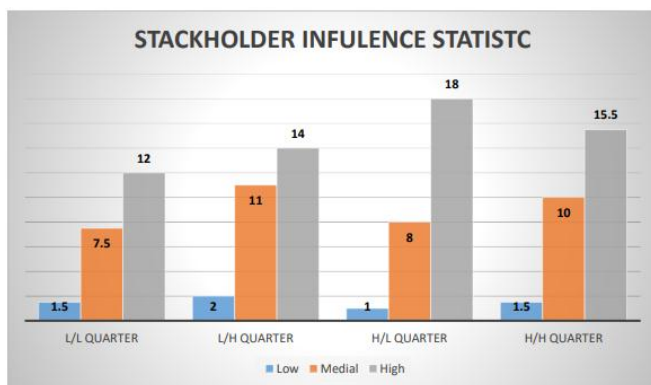


Figure 3: Stakeholder Quarters Statistics

## VI. CONCLUSIONS

Knowing the impact of stakeholders on project success is required for project management, especially in projects with complicated stakeholder relationships. However, this research focused essentially on stakeholder classification and prioritization, rather than on their impact on the success of projects. In this article, we have found the stakeholders have different impacts on the project lifecycle. Each of them has its own effects on the project progress as shown in table 1. We found that higher manager and the PM have the most impact on the project performance in many directions and levels and have to have deep

research to explore many. However, the stockholders are effective based on their location on the project and their experience. According to that the stakeholders need more deep research to covered their influence on the project lifecycle. Because they have a different levels of impact on the project based on them prioritize in the project. Finally, all the stakeholder has the ability to succeed the project or failure, all of them have an impact on different level depend on his level of prioritization.

## REFERENCES

- [1] Xin Liang, Tao Yu, and Li Guo, "Understanding Stakeholders' Influence on Project Success with a New SNA Method: A Case Study of the Green Retrofit in China" *Sustainability*, *Sustainability* 2017, 9, 1927;doi:10.3390/su9101927. [www.mdpi.com/journal/sustainability](http://www.mdpi.com/journal/sustainability)
- [2] P. P. Control, P. M. Performance, and D. Contexts, "Project Portfolio Control and Portfolio," *Proj. Manag. J.*, vol. 39, no. 1, pp. 28–42, 2008, doi: 10.1002/pmj.
- [3] A. Authenticity Consulting, "How to Make Sure the Board of Directors Participates in the Project for Change", *Int. Ann. Sci.*, vol. 1, no. 1, pp. 1.1-1.2, Feb. 2017. <https://managementhelp.org/misc/board-in-change.pdf>
- [4] M. J. Haverila and K. Fehr, "The impact of product superiority on customer satisfaction in project management," *Int. J. Proj. Manag.*, vol. 34, no. 4, pp. 570–583, 2016, doi: 10.1016/j.ijproman.2016.02.007
- [5] J. Y. Mao, J. N. Lee, and C. P. Deng, "Vendors' perspectives on trust and control in offshore information systems outsourcing," *Inf. Manag.*, vol. 45, no. 7, pp. 482–492, 2008, doi: 10.1016/j.im.2008.07.003.
- [6] I. Kirkpatrick, A. J. Sturdy, N. R. Alvarado, A. Blanco-Oliver, and G. Veronesi, "The impact of management consultants on public service efficiency," *Policy Polit.*, vol. 47, no. 1, pp. 77–95, 2019, doi: 10.1332/030557318X15167881150799.
- [7] P. Candidate and D. Candidate, "Towards Accomplishing Millennium Development Goals (Mdgs) In Abuja F. Ct Nigeria: The Project Management Consultants Roles," vol. 2, no. 4, pp. 414–424, 2012.
- [8] Fachrurrazi, "The end user requirement for project management software accuracy," *Int. J. Electr. Comput. Eng.*, vol. 8, no. 2, pp. 1112–1121, 2018, doi: 10.11591/ijece.v8i2.pp1112-1121.
- [9] Giang Thi Lam Nguyen1, Ana Aguilera2, "Key Stakeholders' Impacts on the Implementation Phase of International Development Projects: Case Studies", School of Business, Umea University, 04TH January 2010.
- [10] Mark A. Langley, "The Strategic Impact of Projects, identify benefits to drive business results", *Project Management Institute*, 2016, <https://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/pulse/identify-benefits-strategic-impact.pdf>