Role, Challenges and Limitations of Communications in Project Stakeholder Management and Engagement

Aurangzeb Z. Khan[i], Miroslaw Skibniewski[ii], John H. Cable[iii]

i. Department of Management Sciences, COMSATS University, Islamabad, Pakistan

ii. Project Management Center for Excellence, A. James A. Clark School of Engineering, University of Maryland, College Park, MD, USA

iii. Project Management Center for Excellence, A. James Clark School of Engineering, University of Maryland, College Park, MD, USA

Abstract

Communication persistently ranks amongst the top critical success factors identified in practically all of the numerous project surveys undertaken across the globe over time. Considered the life blood of every project, its importance is universally acknowledged by project practitioners. No project can be accomplished successfully in the absence of good communication which is sustained over the entire project life-cycle.

Communication assumes added importance and criticality with increasing project technical, institutional, social and environmental complexity. Yet, communicational deficiencies continue to overshadow and seriously impede many projects resulting for them, inter alia, in cost and schedule overruns, unwanted scope modifications, staff demotivation and reputational damage, and a significantly higher risk of project failure. Consequently, an effort must be made to explore and critically analyze from the perspective of the project stakeholders, both primary and secondary, the specific role communication plays on projects along with the myriad accompanying challenges and limitations it poses as well as ways and means by which these challenges and limitations can be managed.

For this study the authors have reviewed the available literature on over twenty large-scale projects primarily in construction and civil infrastructure development. Several interviews with project practitioners from this project category were also conducted. Projects falling under this project category have the advantage of typically having a comparatively very sizeable and diverse community of primary and especially secondary stakeholders which makes the creation of complex communicational systems necessary and which consequently opens up the opportunity for gaining more interesting insights through multidimensional exploration and analysis.

The authors look in detail at the subject of communication between projects and their stakeholders and the key factors which influence communication effectiveness. Various practical and specific suggestions as to how to the quality of communication on projects can be improved will be discussed in a follow-up study. Projects can benefit through the insights offered by this study into communicational dynamics which can help them

shape their communication systems in a stakeholder-responsive manner and thereby enhance project effectiveness and efficiency.

Introduction

Communication has been termed the "life blood" of projects. It is a universally acknowledged integral component and critical success factor of every project regardless of project location, size, complexity and type. In fact, this has been revealed in numerous project surveys undertaken from time to time across the globe in project categories as diverse as IT and construction, or events and new product or service development, where respondents rank factors in order of their impact and influence on project success. The factor communication, directly or indirectly, almost consistently falls under the most important identified factors, oftentimes more so then the technical or environmental challenges and complexities encountered by projects. Indeed, long is the list of projects that over time failed to achieve the degree of success which was expected of them or were forced into premature termination because of communicational deficiencies or shortcomings which were experienced.

Communication works in tandem with the activities cooperation and coordination. It precedes them both actually since effective and sustained cooperation and coordination between project stakeholders, which are clearly essential for undertaking any project, cannot realistically take place in the absence of communication between them. It can be asserted that the higher the quality of communication is on a project, the higher is the likelihood that the project will be undertaken more efficiently and deliver better results after completion.

Despite its foundational relevance, communication on projects can even at the best of times be fraught with considerable difficulties, hurdles and challenges. Communication has traditionally been considered a 'soft' project knowledge area whose undertaking and management is usually perceived as being easy or comparatively much simpler to perform than complex technical tasks and activities. Consequently, on many occasions, inadequate thought, effort and planning goes into project communications with disastrous results.

For projects falling in the category of large construction and civil infrastructure and development communication assumes a special role and significance. Countless billions of Dollars are invested in such projects globally every year. Every nation's economic development and growth, and social prosperity, depends to a large extent on them. Their enormous technical complexity and high cost notwithstanding, such large or mega undertakings are moreover typically characterized by enormous stakeholder communities, both primary and (especially) secondary, which usually are extremely diverse and heterogenous and possess a broad spectrum of attributes (interests, expectations etc.) in relation to the projects. Communicating with all these stakeholders fairly, ethically and amicably over a time horizon which can often span several years and in pursuit of a win-win situation for both the project and its stakeholders may presents great difficulties and require considerable effort, planning and cost but it is a

basic necessity and the onus lies primarily with the projects to ensure that effective and efficient communication systems with stakeholders are in place at all times. There is evidently no one size fits all approach; communication must be designed in accordance with the respective needs, wants and requirements of stakeholders and must be sufficiently flexible to quickly and fully adapt to situational changes over time.

In analyzing the complex role, challenges and limitations of communication between stakeholders on projects, as in the large construction and civil infrastructure and development project category which are the focus of interest in this research, it is instructive to distinguish between the two main project stakeholder groups, primary and secondary. Communication between them and the project throughout its life-cycle is of fundamental importance but the communication objectives, strategies, content and mechanisms can differ significantly for each group and, therefore, the primary and secondary stakeholders must be considered separately.

Primary Stakeholders: Role, Challenges and Limitations of Communication

Primary stakeholders encompass all entities from individuals to organizations that have a contractual obligation to, or a legal responsibility, towards the project. For large civil infrastructure development projects primary stakeholders typically include entities such as the project manager and team, project client, project sponsor, financers, consultants, contractors and sub-contractors, vendors and a host of other individuals, groups and organizations providing services to the project. All of them have some specified contractual obligation or legal responsibility to the project, the duration of which may extend over the entire project life-cycle or restrict itself to distinct phases of it, and the services they supply may span an array of activities ranging from performing simple manual tasks to provision of complex knowledge-based inputs. Their involvement in the project is normally voluntary, often follows after a competitive selection process, and promises worthwhile benefits to them which typically are monetary but additionally can also include, inter alia, experiential and reputational gain, networking opportunities, and exposure to new or innovative processes, methods and technologies. For the project activities to progress smoothly, all entities must effectively and sincerely communicate, cooperate and coordinate on a continual basis with each other. A chain is only as strong as its weakest link and any deficiencies which arise in one, two or all of these three functions over the course of the project life-cycle can at best cause brief and resolvable conflicts between the affected stakeholders or at worst damage the project by causing cost and schedule overruns or in the most extreme case even endanger its very existence.

With the involvement of more stakeholders in the project the communicational challenges for it tends to increase. This normal considering that the entities in question are independent from each other and thus have their own distinct approach to communication. Some may be comparatively more open, quicker and responsive than others who may need prompting. With globalization and the internationalization of

projects in the past two or three decades, the inter-cultural dimension has assumed great importance on projects. Though a multi-cultural project setting offers considerable benefit, communication across cultural boundaries undeniably presents its own set of complex issues and challenges and needs to be well researched, understood and managed in order to reduce risk and prevent possible occurrence of serious damage to projects.

Because communication constitutes the prerequisite for cooperation and coordination its importance for the project is, as highlighted above, fundamental and crucial. Admittedly, effective communication between primary stakeholders increases the likelihood of effective cooperation and coordination which in turn increases the likelihood of them (hopefully successfully) delivering the project goal within its constraint framework. Hence, projects need to focus very carefully on their communication systems to ensure that they function to both maximum effectiveness and efficiency. For this purpose projects typically develop a comprehensive project communication plan included as part of their project master plan in which, inter alia, the communication objectives, strategies, targets, mediums, channels, and frequency are comprehensively documented. Like the other project subsidiary plans, communication plans are essentially dynamic documents and may undergo several revisions to reflect changing stakeholder communication needs as the project progresses over its life-cycle. It serves as a valuable reference and guidance for primary stakeholders and to which they are expected to closely adhere to. At the same time, even the best conceived project communication plans cannot realistically deliver continuous optimal or even excellent results in the absence of a bundle of performance-influencing conditions which pertain not only to the communication system itself but also to the information which underlies the system.

It makes no sense to discuss communication without concurrently considering information. Both go hand in hand and basically represent the two sides of a coin. Each is essentially useless without the other. Primary stakeholders need a flow of information to fulfill their obligations and responsibilities on the project, especially to perform requisite actions and make necessary decisions, and this information reaches them through communication. Deficiencies present either in the information they receive and/or in the way this information is communicated to them may have potentially serious repercussions for the project as experience shows has occurred on numerous occasions.

Hence, the first prerequisite of effective communication is 'quality information'. Quality is a complex and multi-dimensional concept which finds broad application in numerous technical and managerial fields and the field of project information offers no exception. To fulfill the requirement of being of high quality – and consequently of high value to project stakeholders - all project information must fully satisfy the following set of seven pre-specified criteria simultaneously which even in the best of circumstances can at times be very difficult to achieve in practice:

- Accuracy (the information's correctness or factualness)

- Relevance (the information's consistency with the need)
- Specificity (the information's provision of useful details or deep insights)
- Completeness (the information's inclusion of all useful or important details)
- Currentness (the information's condition of being up-to-date)
- Reliability (the information consistency)
- Legality (the information's acquisition through legal and ethical means only)

Any deficiency in the information caused by any one or more of the seven listed criteria will automatically reduce the efficacy of the project's communication system. A further constraining factor is that the acquisition, analysis and assessment, storage, and dissemination of information and creation of a purpose-specific robust infrastructure for it can also be a costly and difficult undertaking on large projects where immense amounts of information are generated on a regular basis.

Deficiencies in the way information is communicated to project stakeholders may seriously diminish its utility. In a large construction and civil infrastructure project environment several transmission issues typically can and in practice do crop up at some point to overshadow communication, namely:

- *Overcommunication* which manifests itself in excessive and too frequent communication between stakeholders resulting in wastage of time and effort spent analyzing or assessing information which partly is not needed and which distracts them from project work.

- *Undercommunication* which is the opposite of overcommunication and which results in needed information not being conveyed to the stakeholders concerned and hence possibly resulting in delayed actions and decision-making.

- *Non-Communication* which is the complete absence of communication and in consequence of which stakeholders may become uncertain, demotivated or hesitant to act.

- *Miscommunication* which represents the difference or mismatch between what the project stakeholder communicating the information actually meant or intended to convey through it and what the stakeholder who received that information actually understood from it.

- *Untimely Communication* which is the communication of information before or after that point in time at which it is needed and which can diminish the quality of actions performed and decisions made.

- *Misdirected Communication* which is the communication of information often mistakenly to the entities who do not need that information instead of communicating it to those who do need and are expecting it.

- *One-Sided Communication* which is the communication of information but without expected reciprocity. It overlaps with non-communication.

The information-communication nexus gives rise to four distinct scenarios. In the best case scenario information of high quality is communicated effectively to project stakeholders, thereby bypassing the communication issues outlined above. Obviously this is immensely beneficial for the project but on large and complex undertakings can be near impossible to sustain throughout their life-cycles. Conversely, in the worst case scenario, information of poor quality is communicated to project stakeholders ineffectively – i.e., some of the communication issues outlined above manifest themselves – and this can seriously damage the project, especially if it goes unnoticed and remedial measures are inadequate or none are adopted. In between these two extreme case scenarios lie two further scenarios, namely, the information may be of high quality but it is communicated ineffectively or, conversely, the information is of poor quality but it is communicated effectively. Both are evidently unsatisfactory and constitute an impediment to project performance. At the same time, and based on discussions on the subject the authors had with project practitioners, they usually appear to be relatively more commonly encountered on projects than the two extreme case scenarios. On large construction and civil infrastructure development projects it is realistic to assume that all four scenarios can and probably will occur, their timing, frequency and intensity contingent on myriad contextual factors and prevailing situation and circumstances. A major challenge for the project is therefore to carefully and continuously monitor and assess its information and communication system and take prompt and decisive corrective action if and when the need should arise.

The causes of communication challenges on large construction and civil infrastructure projects are numerous and can span volumes. Most of them fall in the social, psychological, technical, institutional and cultural categories. Sometimes individuals, groups and organizations working on projects fail to realize and appreciate the criticality of their role as communicators. To a large extent these may be attributed not to a lack of interest but instead to a lack of awareness, encouragement or training. Empirical studies reveal that most people by nature are introverts and some may be hesitant to go the extra mile to interact or communicate with others unless circumstances literally compel them to do so. On occasions, personal antagonism or lack of trust between stakeholders may also serve as a communication impediment. And oftentimes as observed on projects, stakeholders deliberately withhold information in the unrealistic expectation or hope that issues or problems which have cropped up will automatically resolve themselves if left concealed and unaddressed or due to their apprehension they will ultimately be blamed for having caused the issues or problems or for not having prevented them from having arisen. With globalization and the internationalization of projects and their supply chains, it is not uncommon nowadays to encounter stakeholders from several countries participating on larger construction and civil infrastructure development projects. Consequently, the level of cultural interfacing is

also high. Multicultural participation and the multi-dimensional diversity which normally accompanies it can bring some major benefits - along with some daunting challenges – for projects. It is well known that different cultures have particular approaches and attitudes to communication, work and ethics and it is not unreasonable to assume that such differences are carried over to some extent into the project environment. This can on occasions prove to be a source of significant conflict and friction. Furthermore, in a multilingual project environment misunderstandings may arise in communication between stakeholders working together. Left unaddressed or poorly managed, this can pose a serious challenge for projects and can adversely affect their performance.

Projects can adopt many measures to improve the quality of communication ranging from the simple to the highly complex. These measures will be the topic of a future paper by the authors.

Secondary Stakeholders: Role, Challenges and Limitations of Communication

Secondary stakeholders, unlike the primary ones, have no contractual obligation or legal responsibility to projects and hence are not subject to their instructions and formal control. On projects typically involving the development of large tracts of space, as in large construction and civil infrastructure development, the number of secondary stakeholders is numerically manifold larger than the primary stakeholders. They are also much more heterogenous and span a broad range of entities which typically include, inter alia, individuals, families and local communities, associations and civic organizations, businesses, environmentalists, social activists, media, academia, government agencies and, in some cases, even the general public.

Another key distinguishing feature of secondary stakeholders which sets them apart from the primary stakeholders is that whereas the latter can be presumed to be supportive of projects because of their voluntary participation in and their contractual obligations or legal responsibilities towards them, this does not necessarily hold true for the former. Depending on their circumstances secondary stakeholders may or may not be supportive of the project. In many instances some secondary stakeholders may be very actively and persistently hostile towards the project and strive to prevent it from achieving its goal or causing maximum damage for it in pursuit thereof. Long is the list of large construction and civil infrastructure projects across the globe and over time which in varying degree have experienced schedule or cost overruns, unwanted changes to their scope of work, or even premature termination because of the hostile actions of secondary stakeholders. Their power to influence projects comes through the utilization of the various 'options' which are available at their disposal and which can range from the very soft at the one end of the option spectrum to the very hard (and downright illegal) at the other end. In a previous UMD project management symposium paper the authors discussed in detail with examples the numerous frequently encountered 'options' which these stakeholders can utilize against projects.

Consequently, the responsibility lies with the project to very carefully engage all its secondary stakeholders with a view to eliminate or at least minimize their opposition to the project as well as encourage them to be supportive of it. Doing so is, off course, easier said than done given the heterogeneous nature of the secondary stakeholders and the multiplicity of their entity-specific and collective interests in the project. Engaging secondary stakeholders effectively over the project life-cycle is, at the very least, an enormously complex, testing and potentially resource-intensive task but, if successful, the reward for the project is also immense. Nurturing trust between the project and its secondary stakeholders and building, consolidating and sustaining positive relationships with them is a fundamental prerequisite for effective engagement and this cannot be achieved without an appropriate context-specific system of communication designed with this purpose in mind. Communication with secondary stakeholders is hence as important – and possibly more challenging - as it is for primary stakeholders. The primary difference lies in the objective: whereas communication with primary stakeholders aims at striving to ensure the best possible cooperation and coordination between them so that the project can progress smoothly and efficiently towards achievement of its goal, the communication with secondary stakeholders must aim at generating support, as well as reducing risk, for the project, in particular, by appeasing disgruntled, resentful or angry stakeholders whose consequent actions may seriously impede project progress or even derail the project entirely. However, oftentimes the communication strategy and effort by projects towards secondary stakeholders falls short as is witnessed frequently in practice. To engage secondary stakeholders effectively projects must systematically collect and carefully analyze and assess information about them and adopt a proactive, creative and flexible context-specific communication system capable of quickly adapting to changing circumstances and developments.

In a previous UMD project management symposium paper the authors argued that a set of six attributes common to every stakeholder ultimately determine how stakeholders come to view a project. These six attributes – motivation and concern, expectation and perception, and attitude and behavior - are universal and applicable on every project. They are also applicable as much as to primary stakeholders as they are to secondary ones, regardless of whether the stakeholders are individuals, groups or organizational entities. Understanding where project stakeholders stand in relation to these attributes is the key to managing (i.e., for primary stakeholders) and engaging (i.e., for secondary stakeholders) them effectively. For secondary stakeholders this means that the project has to first research and collect sufficient (quality) information regarding their respective attributes in relation to the project and then apply strategies to influence their behavior, which may be supportive, indifferent or hostile towards it over the project life-cycle. Communication is thereby the basic, but not the sole, behavior-influencing tool in the project arsenal. A good communication system must be designed with secondary stakeholder communication preferences in mind and be bi-directional in that is not only continually disseminates information efficiently from the project to the secondary stakeholders but also continually receives, analyzes and assesses high-quality

information about them (in addition to constructive criticism about the project from them) and utilizes this input in order for project executives to make informed decisions and take necessary action. As a trust- and relationship-builder communication can, if undertaken by the project effectively, in good faith and with sincerity, can go a very long way towards allaying apprehensions and misconceptions secondary stakeholders may have about the project.

At the same time communication with secondary stakeholders has its limitations. It depends heavily on several factors, notably the quality of information the project can access about them, obtainment of some or much of which may be very difficult, costly or time-consuming. Moreover, processing all that information and extracting meaningful insights from it requires considerable analytical skills and experience. And even the best communication sustained indefinitely cannot be expected to completely pacify hostile stakeholders who in consequence of the project will actually experience damage of a financial, material, health, social, psychological or other nature and for whom the overall resultant project-induced losses will exceed the benefits. In practice this often happens to a large number of stakeholders of major construction and civil infrastructure development projects. To compensate for their losses and mitigate stakeholder opposition projects can, and as observed in practice often do, offer secondary stakeholders financial and material incentives. These incentives can take on many forms, for example, the donation of computers and books for local schools and provision of educational stipends and grants for students, provision of crucial medical equipment to local hospitals and clinics, prioritization of local businesses in project procurements and local residents in employment on the project. Sometimes projects go further and grant their secondary stakeholders certain participatory rights in the project pre-initiation, planning, implementation and monitoring phases. In very rare cases, projects even offer secondary stakeholders a partnership opportunity which entitles the latter to a share of the project earnings and profits.

Concluding Remarks

Communication constitutes the fundamental mechanism of interaction between projects and their stakeholders, both primary and secondary. Its importance cannot be overestimated. Communication effectiveness may be reduced by several factors, notably the quality of the information which it conveys and transmission issues which may occur with the communication itself. While communication is critically important for the project in its dealings with its primary and secondary stakeholders, the basic objective of communication differs for both stakeholder categories. For primary stakeholders project communication strives to ensure that all these entities collaborate efficiently and fully towards the systematic accomplishment of the project goal. For secondary stakeholders project communication is based on a careful acquisition of insights about, and a robust understanding of, these entities in order to predict how they will or may behave towards the project over its life-cycle and seeks to influence their

behavior with a view to reducing or eliminating the risk of damage to the project which can result from hostile stakeholder action.

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