Stakeholders, Decisions and Narrations

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Abstract
This paper consists of a detailed project level examination of how a project team handles a multitude of relationships. Using methodology from an ethnographic study that followed a project for years, it describes how the project team displayed an ability to meet a variety of stakeholders representing different and often divergent interests. The project teams’ stakeholder activities came about as a carefully cultivated communication pattern. This communication involves narrating, differentiated, yet carefully balanced stories, displaying a high sensitivity to the content and framing, and not least, the timing of messages. As this happened the team was able to exercise influence on the decision making of others and the paper points to how the social participation of the team reproduced and transformed the social structure in which it took place.

1. Introduction

There is an increased use of organizing by projects. Consequently projects nowadays represent significant arenas for management and decision making [see e.g., Ekstedt et al. (1999)]. Nonetheless, as several authors have illustrated, the basic rationale and theoretical understanding of projects as organizational forms and decision-making guides is far from complete (Winter et al., 2006). Literature reviews have indicated a need for more profound analyses of how projects behave and how they differ (Söderlund, 2004). The traditional way of analyzing projects has been to focus on how they are fairly decoupled phenomena (Brunsson, 2002), operating based on an action logic. Emphasis has been placed on how raison d’être of the project organization is set by outside principals and the object of the project organization is to interpret the project goals into action-oriented activities to implement what has been stated by the principal. However, since the mid 90s, a number of researchers have considered projects as highly embedded, temporary organizations. Such a view calls for research on how projects relate to their surrounding environment (Lundin & Söderholm, 1995; Lundin & Steinthó’rsson, 2003; Turner & Müller, 2003). Regarding projects as embedded, stakeholder management becomes an important issue of investigation. There are quite a few studies on project stakeholder management. They tend to have a rather managerial and normative focus. This study is different as it applies a practice based approach. The purpose of this paper is to investigate how a highly complex technology project actually copes with a multitude of stakeholder relationships. Projects that are complex in terms of technological innovation and number of interfaces among the involved actors need to handle their stakeholders competently. It has however been pointed out that both high complexity and uniqueness in technology are factors that complicate the use of knowledge developed elsewhere (Brady et al. 2004). Since the stakeholder environment for each project might be relatively unique, the reuse of knowledge related to stakeholder management could be especially difficult. This means that the project team members need to develop these competencies whilst they execute the project. This paper provides insights on how a project team learns to cope with a multitude of stakeholder relations by carefully and strategically framing messages and telling stories.
2. A practice based view on stakeholder management

In our effort to explore project stakeholder management we are inspired by Vaagaasar (2010) concept of project relationship competence. In line with a practice based approach on learning and knowing, the capability of managing project stakeholders was understood as an ongoing and highly embedded development process. During the 1990’s, several theoretical frameworks for studying and managing knowledge were presented in the literature (Nonaka 1994; Blackler 1995; Wenger 1998). These frameworks discuss how learning and knowledge creation are determined by the situation and, at the same time, are active processes. Learning and knowing are seen as ongoing processes (Wenger 1998). Knowledge is constantly made sense of and translated in the interactions between individuals as well as between the individuals and artifacts. It is practice based. These ideas will be used to explore how a project handles a multitude of stakeholder relationships. Thus, the ability to manage stakeholders becomes experience based and evolves continuously. It becomes dependent on the challenges that the project faces and the actors with whom it interacts. This does not mean that more general knowledge structures related to stakeholder management are less important. Rather, these more generalized knowledge structures provide the bases for the general actions of the project team. As the project team acts on these compositions, they evolve as local translations of the more generalized structures. These translations emerge as differentiated versions of the generalized structures displayed in pertinent knowledge, skills and aptitudes of the project. This means that the cultural and social aspects that the project team finds itself helps in constructing the nature of the learning process as well as the content (Brown and Duguid 1991, Lave and Wenger 1991, Coook and Yanow 1993 and Gerhardi and Niccolini 2000).

3. A complex technology project

The empirical basis for this paper is a longitudinal study of a large-scale technology development project. The project involved the development and installation of an emergency communication system for the railroads to be operated via GSM – technology. When starting out, the overall objective of this project was stated to be the facilitation of safe and efficient communication for the railroads by developing a full coverage rail specific mobile net. Additional objectives were to reduce the total number of communication systems, facilitate more efficient operation, and provide new functions, services, and digital technology for the railway operation. The project was initiated in 2001 and was to continue throughout 2007. The estimated budget of 200 million Euros was provided by the national state budget. The system was implemented from July 2007 for all railway lines planned for a total of 4000 kilometers. It was implemented within the estimated time frame and budget, and was described as being very satisfactory to the owner organization.

Establishing the GSM-R system entailed developing the technical units and the electronic devices required for radio transmission. It included devices of various kinds that would function along the railway, in the trains, at the control terminals in the seven common operation centers for train management, and at the shared operation management unit of the GSM-R system (henceforth the OPM). The project provided the infrastructure and main operating procedures required for this center. The users of the GSM-R system are the people involved in train operations. The transition to be created by the project required altering work routines and communication patterns for and between those who drive trains, those who supervise the train traffic and those who provide system service. All these people had to acquire new competences as a result of the project. The most important premise providers for the GSM-R development were the two departments of the project base organization that manage technical and traffic regulations. Other stakeholders of the project included local and central politicians, and the neutral control organ under the Department of Traffic and Communication that held the final authority to accept or reject the system. Additionally, two

1 The case study material has been published in Vaagaasar (2006) and Söderlund et al. (2008). The full story can be found in Vaagaasar (2006).
subcontractors were involved and are referred to in
the case description as Alpha and Beta. The main
company operating the railway is referred to as
Gamma in the case description.

4. Methodology

This paper is based on a longitudinal qualitative
study that was highly inspired by the ethnographic
method. We have followed the project and the project
management team (henceforth the PM team) from
November 2003 until the summer of 2005. The main
sources of data collection were personal interviews
and observation. More than twenty, in-depth
interviews were carried out with, amongst others, the
project owner, the project manager, the project team
members, and the subcontractors. A comprehensive
interview was conducted with the project manager
once a month for a period of eighteen months. The
interviews were quite open in form (Yin 1994), since
we wanted to develop data in dialogue with the
participants, with the objective of getting the opinions
and observations of the participants (Kvale 1996).

The ethnographic method recommends
observation as a tool to collect data (Hammersley and
Atkinson 1997), and we applied this method
extensively since it provided valuable insights into
project practices. For almost two years, we observed
the weekly PM team meetings, as well as meetings
between the team, or the project manager representing
the team, and other actors. We found it useful to
follow three interfaces regularly. These were: the
project – project owner interface; the project – sub
contractors interface; and the project – users interface.
We also followed the PM team’s meetings with
various user groups, extraordinary meetings with sub-
contractors, and open meetings. Additionally, we
participated in a wide range of occasional activities,
ranging from the monthly “salary beer” to the
celebration of 150 years of train operation in Norway.
In total, our data material includes more than 300
hours of observation.

Additionally we performed document analyses to
obtain background information and develop a more
holistic picture of the project structures and behavior.

It is hard to study emergent phenomena such as
evolving competences. The trick is to capture the
changes without forcing them in to an idea of a
stepwise development pattern. Our analytical work
consisted of two processes; bracketing (Weick 1969)
and application of sensitizing questions (Strauss and
Corbin 1998). Firstly we compared some processes
that emerged in our descriptions at different points in
time to identify changes in their nature. To ‘control’
our emerging assumptions of transformations, we
bracketed the action flows into action-sequences to
compare and identify the changes that transpired over
months. We believed the bracketing (Weick 1969)
could help us focus and enable identification of
changes in the ‘causing elements’ that we, at the time,
did not know. Secondly, we used different types of
sensitizing questions (Strauss and Corbin 1998) to
make sense of the empirical material, for example;
who are the actors here? What are the various actors
doing? Why does a givens activity seem to occur? At
what time and to whom are actions directed? When
empirical patterns emerged, we provided studies from
literature references that also demonstrate the
emerging patterns.

5. A project story

We will present a few excerpts from a project
story that provides insights on how a project handles
a multitude of stakeholders and tries to affect these.

When the technology project was started, it was
highly embedded in a managerial discourse of
functionality and rationality. The technical task was
perceived as clear. Great emphasis was placed on
what the team perceived as extremely tight time
schedule. Stakeholders did not receive much attention
at this point in time. Over time an awareness of
stakeholders emerged in the team. By forming and
working with relations, the team tried to facilitate its
own maintenance and also to buy itself time. One way
it tried to buy time was enforcing the project owner’s
decision to be made faster, attempting to rush through
decision points. Additionally, the team tried to affect
the contents of decisions, since some decisions would
be less time consuming than others.

To accomplish this, the PM team identified the
central project stakeholders and then approached
them, intending to affect their decisions as to time and
content. We observed how participants of the PM
team forced themselves on the project owners and
technical idea providers, and even on representatives
of the Ministry of Transport and Communication. The
project team wanted to take part in various decision-
making processes, and legitimised these requests of
participation through strong assertions of competence.
requirements, uniqueness and time pressure. The observed pattern often started with one of team members reporting on their situation. Following up on the report, the project manager would typically ask: "is that a problem or will that be a problem regarding the planned delivery...?". This question often referred to the time aspect of the delivery. Then, if the answer was affirmative, the next question would be: "What do we do?" The answer to this question was often: "Who is responsible for this at the main office/at the Technical division or at the sub-contractors', and who can we talk with?" The PM team members discussed these questions and often identified whom to approach and how to compel them to make quicker decisions. In short, a will to take part in decision-making processes and affect decision makers gradually emerged in the team. We witnessed numerous dialogues that seemed to follow certain patterns, such as the one presented below (from a PM team meeting (08.03.04, code names are used):

project manager: “Who has this responsibility at the head office?”
Cib.: “Nils and his people. And they will use at least a month”.
project manager.: “Do we have a month to spare? If not, we need to see whom we have with us over there”.
Cib. mentions different persons.
project manager.: “Do we have a plan for when this should be finished?”
Cib.: “Well...”.
project manager: ”Does it have any implications for Alfa?”
Cib: “Not really”.
project manager: “But they said on Friday – that they needed it yesterday”.
project manager: “So, I will just have a little talk about this with Gamma this afternoon.

When asked about their role in various decision making processes, the project manager explained:

"(…) Often, the case may be that we need a clarification or a decision, but we cannot make the decision ourselves. Then the staffs holding this mandate have neither the competence nor the resources to do so – or the head where it should be – and cannot make it either. But then, we can’t make the decision ourselves, so we have to make sure that we have the right persons involved in order to have them make this decision and that the decision they make is ours, in the sense that we can live with it. That’s what often happens; we have to make sure that those providing the requirements make decisions at the right time and that they make the right decisions” (the project manager 15.04.04).

The project manager’s words show a PM team that had developed an extensive ability to affect decision processes. We were presented for formal ways of distributing the responsibilities and authority with regard to project work in the parent organization of our focal project. The project owner was to develop these premises, to create the charter, to provide the guidelines of the directions of operative processes, and to make sure the project is well anchored in the base organisation. In light of this, the observation of the PM team’s acting with influence were surprising. Asking the project manager how the team had obtained this position, his answer indicated that he and other members of the PM team had dedicated extensive effort in putting the team in a position where it held some responsibility.

“We had to identify important processes and then claim responsibility for some of these. To save time, we could not conduct the project in accordance with the ordinary procedures as it would cost too much time waiting for them to make the decisions” (PM. 15.10.04).

If the team perceived relationships as critical for project success, they actively claim responsibility for handling relationships that were usually handle by the parent organizations. The project manager referred to how the PM team for example had acknowledged that it had to handle the interactions with a critical stakeholder, the Railway Inspectorate. The team members claimed responsibility for this interaction, arguing that the team was highly competent in this specific matter. Moreover, they argued that the first hand information the team could obtain by handling this relation itself was important for its task solving ability (PM. 15.10.04). The project manager also revealed how the team had presumed that reducing number of nods in which the information travelled could reduce the risk of misunderstandings.

Additionally, being asked about the position of the PM team as an influential actor, the project manager emphasized the importance of mapping out work to the project team’s exertion of influence. The project manager said about the deliberation activity that:
“it gave us a chance to voice our opinion. We always say what we mean is the better alternative, or what the only way would have to be. I do not believe that we ever presented a totally open-ended solution for the project owner. We need to know what is best and what we want as we are about to act on it. I think that is what project work is all about” (PM. 15.10.04).

Both the handling of the strategically important relations and the mapping activities provided the team with possibilities to obtain first-hand information and also opportunities for voicing its opinions. Moreover, the PM team was strategically positioned with regard to selecting what kind of information that could circulate in the GSM-R discourse and how it ought to be framed.

Following the PM team, we observed them engaging in analytical exercises trying to determine the aspects of a given situation and which parties would probably be involved and had to be considered. Moreover, the PM team worked to find out the most likely expectations these parties held and also thought about what they could do to meet these. As the bases for these exercises the PM team approached various stakeholders. Analytical exercises followed by interaction with the stakeholders were reoccurring themes in the PM team’s activity patterns.

We observed how the project team varied its activities in the same relationship over time. The following is an example. In the spring of 2003, the project chose its two sub-contractors (Alfa and Beta) and relationships with them were gradually developed. These relationships were procedural and formal, rather than informal, and the PM team concentrated on drawing up contracts and getting basic routines established. The relationships seemed friendly and polite, but communication was vague. In the winter of 2003/4, the communication between the parties improved since they had started the work and obtained some experience with task solving. When starting up, the PM team emphasized Alfa’s high level of competence, but as time went by, their opinion about this seemed to change. The PM team's discussions increasingly focused on how to enable Alfa to do their work, among other things, by changing their own organizing to compensate for Alfa’s shortcomings. Since Alfa did not deliver as promised in accordance with the expectations of the PM team, the relationships between the two became strained. In the winter of 2004, the PM team took actions to increase Alfa’s production by helping them plan and prioritize. From the spring of 2004, shared planning sessions with Alfa were held monthly. A person from the PM team was also transferred to Alfa to help out with the planning work. Additionally, the PM team spent extensive time discussing Alfa’s plans, to determine the reality of these, and the lack of reality was pointed to a number of times. Moreover, the PM team worked to help Alfa by providing incentives, as well as threatening them with economic punishment. Gradually the relationship stabilized as troublesome, yet functioning. The interactions between Alfa and the PM team illustrate how the PM team, acting within the same relationship over time, acted differently.

We observed how the PM team developed an ability to act in differentiated manners when relating with various stakeholders at the same time. For example, in a situation where the project was not able to deliver planned milestones and its funding and existence were at stake, the project team produced different explanations or 'stories'.

*project manager:* “Yes, so I assume we are all clear about what we communicate to Alfa”.

*Aida:* “But what do we communicate to Gamma and the rest of JBV?”

*Ely:* “The trick is that Gamma can leak information to both Alfa and the Ministry, if they understand that we are uncertain whether we make it or not”.

*project manager:* “But, we will have conflicts if Gamma starts preparing for implementation on 01.04.04. and the system is not ready. They are so negative already, and preparations for implementation will be most demanding for them and ... Hm, we need to communicate uncertainties in a way that is balanced”.

*Gyda:* “Yes, we need to communicate that only 10-15% is not working”.

*project manager:* “No, we need to communicate to Gamma and the Ministry that 85% works”.

*Gyda:* “Hm... What we said to the Inspectorate last week was that with the limited solution we have already described, we believe that we will be able to make it.

We identified five co-existing stories. They were developed partly to make other actors respond in certain ways that the PM team assumed would facilitate task solving and partly to maintain the stakeholders’ belief in the project. The content of the stories were different depending on with whom the PM team interacted and what kind of actions it wanted the other actors to undertake. For example, it was important for the PM team to enable system
implementation by motivating the train operators to educate their people. The story it communicated to the train operators expresses belief in completing deliveries and the importance of efficient training, for facilitating safe system operation. Speaking with the sub-contractor Alfa, the team wanted to help the dedicated effort at the sub-contractors since no time could be spared. It assumed that if Alfa got to know about a possible delay, they would prioritize their efforts elsewhere, at the cost of the project. It communicated that, if they all stood together and worked day and night, they would probably make it (the project manager 15.02.04). However, while interacting with the head director of the base organization, yet another story was produced. This one was aimed at maintaining the head director's trust in the project. Meeting the neutral control organ that was to verify the system, the project told sensational stories about the unexpected situations they had encountered, tackled, and learned from, and how, through their efforts, the deliveries were almost completed and under control.

6. Discussion

Many projects involve multiple stakeholders, each with their particular interests and needs (Arto et al., 2008). Often projects take part in stakeholder networks. Literature on project stakeholder networks has shown that the different stakeholders direct diverse expectations and interests towards projects. This rises a need to repeatedly redefine ends and means (Hellgren and Stjernberg, 1995). A major question is: "How can a team handle a multitude of different and even divergent interests competently?". Discussing project autonomy, Martinusso & Lethonen (2009) emphasize how the project’s external relationships need to be handled in a context-specific way. In this case, the ability to do so evolved as the team responded to its environment in various ways, exploring what worked and what did not work (March 1991). As the team members acted and made sense of their actions (Weick 1979), they develop shared patterns of beliefs and cognitions (Weick 1979). As these shared patterns were constantly tested in practice, they were refined. Gradually the team showed a cultivated sensitivity regarding the solutions that could possibly work, the selection of actors to be involved, and about the ways both can be involved for them to become aligned in the task solving. Wenger (1998:4) has pointed out that knowledge is actually knowing and "knowing is a matter of participating (...) of active engagement in the world" (Wenger 1998:4). Here, the project team members’ ability to fine-tune their stories, combined with their awareness of interrelatedness, came about as differentiated, yet carefully balanced stories. The PM team displayed a sensitivity regarding what to say and how to say things, and not the least of which was the timing of messages. This seemed underpinned by an understanding of how messages could be framed differently depending on with whom it communicated.

Since the interests of the stakeholders were diverse, the team had to differentiate its presentations. We observed a multiplicity of presentations, that were differentiated and to some extent also divergent, living side by side. This finding might be understood in light of Kreiner’s (1995) point that project tasks change over time when stakeholders alter their actual interests or their ideas about their interests. Thus, the PM team might be expected to gradually act differently in order to meet the changing perceptions. The story telling appeared as a tool to affect stakeholders. The development of the stories seemed to be underpinned by an awareness of vital questions with regard to the task solving:

- Who are the actors that we have to consider to develop the task?
- What do these actors expect from us?
- How do we act for them to develop the perception of getting what they expect from us?
- How to act to affect these actors?

There are numerous ways of meeting and treating stakeholders, so why do hard core engineers in a technology project engage in story telling? When asked about this, several team members responded that it 'just happened’. Asking the project manager he responded that it seemed to be a natural way of coping with the situation. He also responded negatively when asked if he had previously used story telling as a method to handle stakeholders. One reason for story telling appearing as a natural way of managing stakeholders could be their ability to preserve plausibility and coherence and also embody past and present (Weick 1995:60). The team members in this project expressed that the project was fragile, due to a great number of uncertainties related to the technology development, funding, extremely tight time schedules and political disputes. The
development seemed fluid in the sense that actors, tools and activities seemed to connect and take on new characteristics (Callon and Latour). It appeared as if the project needed to rebuild itself over and over. In terms of Weick, “organizations keep falling apart and that they require chronic rebuilding. Processes continually need to be re-accomplished” (Weick 1979:44). The project rebuilding seemed to be much about rebuilding relationships with stakeholders. Under fluid conditions, maintenance of relations requires action, rather than inertia. The stories seemed to provide material for interactions. Information communicated as facts can be difficult to change without loosing credibility. When information is presented as stories it might be easier to incorporate ambiguity and nuance the information as one act and make sense of it. They can also present a portion of reality in a manner that other actors representing different interests can make sense in a manner that message becomes appealing for them. Stories can help assemble various interests as they are loose enough to enable differentiated sense making and yet provide a complete picture of the situation. Studies have emphasized the need for active boundary management in projects to regulate the information flows across the boundaries, to gain resources and support for the project, and to protect the project from external disturbances (Ancona and Caldwell, 1988, 1992). In our case the stories seemed to enable boundary management. The inter related yet carefully differentiated stories enabled the project team to negotiate and re-anchor the project boundaries (Sahlin-Anderson and Söderholm, 2002 and Bragd, 2002).

We presented observations and quotes related to how the teams’ handling of the strategically important relations and the mapping activities provided the team with possibilities to obtain first-hand information and also opportunities for voicing its opinions. Moreover, the PM team was strategically positioned with regard to selecting what kind of information that could circulate in the GSM-R discourse and how it ought to be framed. One might say that the team acted strategically to exert influence, and that it did so by assuming a discursive position.

"To assume a discursive position is a political move, it equates to positioning oneself in a network of social relations structured by power, interestedness and the mobilisation of interests" (Gherardi et.al. 2002:433).

When taking on a discursive position, one may assume a mode of ordering that produces a body of knowledge. Latour and Callon (1981) elaborate on a phenomenon they call the big leviathan, suggesting that micro-actors can become macro-actors by aligning various entities in their network. Taking a process approach, it is not so much the number of allies, but that they are aligned in such a way that they appear as one. Weick (1979) talks about how minority becomes one and how the one can be stronger than majority.

“Despite the size of the original group (N=100) and despite the fact that there are supposedly 100 different influential people, in reality in the crucial decisions – those thought to be the majority decisions – are made by one person: the minority. The point is not that the one-person rules; the important point is the fact that this control is made possible by the pattern of alliances that exists in the group. It is the pattern of relationships, not the fact that ‘a great man’ sits on the top of the heap, that makes it possible for influence to be concentrated” (Weick 1979:17).

The PM team we studied was capable of obtaining influence on major decisions, of the project owner and the technical premise providers. The PM team also managed to act with influence on decisions of major political and governmental actors. At the bases of these observations suggest that the PM team we studied managed to position itself as an influential premise provider of the discourse in which it took part. This suggestion is not in accordance with mainstream PM theory. However, the practice based approach that we have applied has more emphasis on process and change than mainstream project management research tends to presuppose (Engwall 2003). If one takes a process focus things are believed to continuously change. They become what they become contingent of temporal co-presence, rather than design (Weick 1979, 1995). This also applies for the distribution of authority. It makes the idea of a designed for a-symmetrical power relation, where the project acts on the decisions of project owner, difficult (Kreiner 1995). Rather than decisions authority being distributed by organizational design, it becomes a product of an ‘uncertain and moving position’ from which action choices can be justified (Kreiner 1995:342). This means that authority and responsibility for actions are to be negotiated, rather than being decided by hierarchy (Kreiner 1995). “The non-hierarchical relations imply that none of the parties can dictate specific opinions and conclusions to the others” (Kreiner 1995:342). As the interaction and communication between actors determine the
outcome, strong identities can become fragile or reinforced through networking (Kreiner 1995). Kreiner’s proposal opens up for what we observed in the technology project, namely that neither the nature of projects, nor the power distribution of project settings, can be fixed in advance of project conducts. It is negotiated as the actors interact (Callon and Latour 1981). Knowledge is linked with systems of powers, which produce and sustain it, and to effects of power that it provokes and which extends it (Foucault 1986:74). This means that if the project maneuvers itself in a position where it can define what the valuable stories and discourses are it can enact authority that it was not intended for it. The project we studied seemed to develop the ability of translating meaning and systems of knowledge embedded in this social context into specific practices and structures. This helped increase its ability to guide the actions and decisions of others. When making decisions the project team appeared to use the stories as tools for producing additional justifications. Westenholtz (2003) has shown how stories are used to increase engagement and excitement about decisions.

We have presented material that shows different actions undertaken by a project team handle a multitude of stakeholders. Much of these activities seemed to be about rebuilding the project through working with relations. It seemed to be about enlisting and assembling stakeholders. In doing so the project used presentations that were multi-faceted and varied over time. Their aim seemed to be to maintain the life of the project. Using story telling as a mean to handle stakeholders, the project team assumed a discursive position and thereby also increased the level of project autonomy (Gemünden et al., 2005).

References


