The Project Stakeholders

Stakeholder Definition

Project stakeholders are the groups or individuals whose interests are impacted positively or negatively by the project or whose interests can impact the project. From this definition one can see that there are many stakeholders, all with different attitudes, levels of interest and support that bear an influence on the project.

Project stakeholders include:

- Beneficiaries of project interventions.

- Partner organizations, both governmental and non-governmental.

- Donor or funding organizations and individuals that contribute with funds, goods or services.

- Project staff and volunteers.

- Regulatory bodies, national and international.

- Local authorities, national and local government.

- The media and the general public.

- Social, political and religious entities.

Stakeholders have different levels of interest on a project and their influence on the project also vary; that is why it is important to know all the project stakeholders and identify their level of interest and influence, failure to do that can increase the risk to the project. But the most important reason to know and understand the project stakeholders is because the project success or failure is ultimately judged by stakeholders, not the project manager or the project team.

Stakeholder Management

Stakeholder management is one of the areas typically have the least amount of thought and planning in development projects due to limited understanding and agreement on who are the stakeholders and their role in the project. Stakeholders are all the people who have an interest in the project; they are the most critical element to define the success of a project. Stakeholders include donors, beneficiaries, local government, partner organizations and anyone who will be impacted by the project; these can include groups such as the local press, local institutions and even watchdog organizations.

Each project has a different list of stakeholders, all defined by the scope of work, the type of project, the geographic location and the external environment in which the project will take place. Managing stakeholders is not an easy task, project managers need to continuously improve the way in which the relationships between the project and the stakeholders are managed by taking a proactive approach geared towards building trust.

Stakeholder management also helps manage expectations, each stakeholder has a different idea or expectation of what the project is; this is common at the start of the project when limited information about the project has been distributed. When beneficiaries are not involved in the planning or consulted on their needs and expectations about the

project, they can easily turn their back to the project and without bene-ficiaries the project doesn't have a reason to continue.

Failing to identify stakeholders can lead to difficult situations, especially when the project has to deal with a key stakeholder who has the power to disrupt the project. By identifying early in the project the needs, con-cerns and issues of the stakeholders, the project has developed a know-ledge that can use to its advantage. Insufficient involvement and infre-quent communication with stakeholders is another leading cause of project failure.

Stakeholder Analysis

Stakeholder Analysis is the technique used to identify who are the project stakeholders, understand their needs, their level of interest and influence in the project, and specially identify their fears and concerns about the project. The analysis leads to the development of a better un-derstanding of the most important stakeholders; this in turn helps the development of a sound communication strategy that will help manage the relationship. An important tool in identifying stakeholders is the creation of a stakeholder map that places each stakeholder on a matrix of influence and interest. The map helps the identification and categori-zation of the key project stakeholders. The map is a matrix that ranks project stakeholders on their degree of interest and influence in the project. By identifying stakeholders across the matrix the project man-ager can develop specific strategies with each stakeholder group. Below is an example of the stakeholder map that shows four quadrants in an axis of influence and interest levels.

A project should never try to take stakeholders for granted, or assume they will all support the project unconditionally; good stakeholder man-agement helps manage the politics that can often come with develop-ment projects. It helps win support for the projects and eliminates a major source of project stress. The success or failure of the project is ultimately judged by stakeholders, not project managers.

These series of articles focuses on concepts and practices related to development projects. It is our hope that the ideas and methodologies presented here prove useful to anyone who is engaged in managing projects in the broader development community, and helps bring sustainable benefits to the communities and beneficiaries who need it the most.

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