FORMULATION OF STRATEGIES FOR EFFECTIVE STAKEHOLDER ENGAGEMENT FOR INFRASTRUCTURE PROJECTS

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Doctor of Philosophy (Ph.D)

*Masters by Research:*
MSc. (Architecture)
MSc. (Building)
MSc. (Estate Management)

*Masters by Coursework:*
MPM - MSc. Project Management
MFM - Master of Facilities and Maintenance Management
MRE - Master of Real Estate (RICS accredited)
MArch – Master of Architecture (LAM Part II) (LAM & RIBA accredited)
MLPA – Master of Landscape Architecture

*Incoming Masters by Coursework:*
MBS – Master of Building Surveying (2015)
MCM – Master of Conservation Management

*Bachelor Degree:*
BScArch - Bachelor of Science Architecture (LAM Part I) (LAM & RIBA accredited)
BBuildSurv - Bachelor of Building Surveying (RISM, RICS, UK’s ABE accredited)
BEstMg - Bachelor of Estate Management (RISM, RICS, LPPEH accredited)
BQSurv - Bachelor of Quantity Surveying (RISM, RICS, LJUBM accredited)
BURP - Bachelor of Urban and Regional Planning
Research Centres:
1. Urban Conservation and Tropical Architecture (UCTA)
   - Urban Design
   - Conservation Study
   - Tropical Architecture

2. Centre for Construction, Building and Urban Studies (CeBUS)
   - Project and Facilities Management (PFM)
   - Studies of Urban and Regional Real Estates (SURE)
   - Building Performance and Diagnostic (BPAD)

Our Research Areas:
2. Urban & Regional Planning (Urban Studies, Housing Studies)
3. Building (Building Science & Performance)
4. Construction
5. Project Management
6. Estate Management (Property Management, Property Economics, Valuation & Taxation)
7. Asset & Facilities Management
8. Economics (Building & Construction Economics, Cost Management, Value Management)
Before this goes too far, you really need some stake-holder input!
WHO IS A STAKEHOLDER?

Considerable asset

Group / Individual

Can contribute knowledge insights and support

Can affect or be affected

Have an expectation

Receive associated direct and indirect benefits and/or losses
Getting everybody on board
<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is a stakeholder?</td>
<td>Creating and destroying value</td>
</tr>
<tr>
<td>Internal stakeholders</td>
<td>Legal contract with the client</td>
</tr>
<tr>
<td>External stakeholders</td>
<td>All others with a direct interest in the project</td>
</tr>
<tr>
<td>Project stakeholders</td>
<td>Influence the progress of the project.</td>
</tr>
</tbody>
</table>
Stakeholder Management

- Stakeholder Identification
- Stakeholder Analysis
- Stakeholder Communication
- Stakeholder Engagement
STAKEHOLDER MANAGEMENT

• One of the important project management knowledge (PMI, 2013)

STAKEHOLDER ENGAGEMENT

• Vital management function and can influence the project outcomes (Cundy et al., 2013)
STAKEHOLDER MANAGEMENT

• Refers to activities which resemble those in the persuasive strategy
• Mapping stakeholder groups.
• Giving attention to those stakeholders whose expectations need to be handled.

STAKEHOLDER ENGAGEMENT

• Resembles the dialogue strategy
• It refers to a process by which “corporations involve their stakeholders in decision-making processes:
  • Make them participants in the business management
  • Share information
  • Create a model of mutual responsibility”

(Manetti, 2011)
MANAGING STAKEHOLDERS
Cleland (1986) introduced the strategic stakeholder management perspective and notion of stakeholders in the field of project management. The process of identification, analysis, communication, decision making and all other kinds of activities in terms of managing stakeholders.

(Yang et al., 2011)

Jepsen and Eskerod (2009) focuses on the identification of the (important) stakeholders and characterization of the stakeholders.

Management of relationships with stakeholders effectively.

(Lim et al., 2005)
VARIOUS MODELS FOR STAKEHOLDER MANAGEMENT
Identification of stakeholders

Analyzing the characteristics of stakeholders

Communication and sharing information with stakeholders

Developing strategies

Following up

Karlsen (2002)

Managing Stakeholder

1. Developing a stakeholder map of the project
2. Preparing a chart of specific stakeholders
3. Identifying the stakes of stakeholders
4. Preparing a power versus stake grid
5. Conducting a transactional level stakeholder analysis
6. Determining the stakeholder management capability
7. Analyzing the dynamics of stakeholder interactions

Elias et al. (2002)

Identifying stakeholders

Prioritizing stakeholders

Visualizing stakeholders

Engaging stakeholders

Monitoring effectiveness of communication

Young (2006)

Identifying Stakeholders

Gathering information

Analyzing influence of stakeholders

Walker et al. (2008)
## METHODS TO CONDUCT

<table>
<thead>
<tr>
<th>Activities</th>
<th>Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying Stakeholders</td>
<td>Personal past experience</td>
</tr>
<tr>
<td></td>
<td>Asking the identified stakeholders to identify others</td>
</tr>
<tr>
<td></td>
<td>Guidelines from governments or one's own organization</td>
</tr>
<tr>
<td></td>
<td>Professional services</td>
</tr>
<tr>
<td></td>
<td>Being directed by a superior</td>
</tr>
<tr>
<td>Gathering Information</td>
<td>Focus group meetings</td>
</tr>
<tr>
<td></td>
<td>Personal past experience</td>
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<tr>
<td></td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td>Public consultation (e.g. Gazette)</td>
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<tr>
<td></td>
<td>Formal memos</td>
</tr>
<tr>
<td></td>
<td>Questionnaires</td>
</tr>
<tr>
<td>Estimating Stakeholders</td>
<td>Personal past experience</td>
</tr>
<tr>
<td></td>
<td>Workshops</td>
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<tr>
<td></td>
<td>Interviews</td>
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<tr>
<td></td>
<td>Public engagement approaches</td>
</tr>
<tr>
<td></td>
<td>Surveys</td>
</tr>
<tr>
<td>Making Decisions</td>
<td>Meetings</td>
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<td></td>
<td>Negotiations</td>
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<td></td>
<td>Social contacts</td>
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<tr>
<td></td>
<td>Guidelines</td>
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<tr>
<td></td>
<td>Appealing to Executive Council</td>
</tr>
<tr>
<td>Implementing Decisions</td>
<td>Meetings</td>
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<td></td>
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<td></td>
<td>Surveys</td>
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</tbody>
</table>

(Yang et al., 2011)
MAIN PROCESSES IN STAKEHOLDER MANAGEMENT

Identification of the important stakeholders

Characterization of the stakeholders to indicate their need

Jespén and Eskerod (2009)
IDENTIFYING STAKEHOLDERS
IDENTIFYING STAKEHOLDERS

THE FIRST TASK in developing project’s strategic aim and brief.

DRAWING A LINE between

- the parties to be involved
- the parties not to be involved

VERY IMPORTANT in project management

- Role of project manager/ director
Key stakeholders must be identified prior to identifying other stakeholders.

STAKEHOLDER MANAGEMENT:
The process of identifying “key stakeholders” and winning their support

(The Tasmanian State Government’s Guideline for Stakeholder Management)
IDENTIFYING STAKEHOLDERS

KEY STAKEHOLDERS
• Positively or negatively affected during the project.
• Can significantly influence
• Interest in the project must be recognised.

NON-KEY STAKEHOLDERS
• Their needs do not have to be recognised for the project.
• Identified as a result of identifying all stakeholders
IDENTIFYING STAKEHOLDERS

Influence is the power that stakeholders have over the project to:
- control what decisions are made
- facilitate its implementation
- exert influence that affects the project negatively.
IDENTIFYING STAKEHOLDERS

• Deciding who is and who is not a stakeholder
• Not all stakeholders are equally important
• Classifying stakeholders is not equal to identifying stakeholders
Four-Step of Stakeholder Identification Procedure

Step 1: **Defining** the goal of the project.

Step 2: Individual **brainstorm**: Identification of the involved
Explaining the classification model

Step 3: Group **brainstorm**: Identification of the involved based on roles

Step 4: Group **brainstorm**: Phasing the involvement

**Guiding Questions**

**Stakeholder Classification Model:**
Roles and phases
MAPPING STAKEHOLDER

DIMENSIONS:

1. Power of stakeholder to influence the project definition

2. Level of interest they have in that definition which is a loss or benefit function
### Mapping Stakeholder Power to Influence

<table>
<thead>
<tr>
<th></th>
<th>Low Level of Interest</th>
<th>High Level of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Power</td>
<td><strong>A</strong> minimal effort</td>
<td><strong>B</strong> keep informed</td>
</tr>
<tr>
<td>High Power</td>
<td><strong>C</strong> keep satisfied</td>
<td><strong>D</strong> key players</td>
</tr>
</tbody>
</table>

**Legend:**
- **A**: minimal effort
- **B**: keep informed
- **C**: keep satisfied
- **D**: key players
MAPPING STAKEHOLDER
Low Interest + High Influence

High Interest + High Influence

Low Interest + Low Influence

High Interest + Low Influence
MAPPING STAKEHOLDER

<table>
<thead>
<tr>
<th>Meeting needs</th>
<th>Key stakeholder</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Engage and consult on interest area</td>
<td>• Focus effort on this group</td>
</tr>
<tr>
<td>• Increase level of interest</td>
<td>• Project allies</td>
</tr>
<tr>
<td>• Aim to move to key stakeholder</td>
<td>• Enlist help</td>
</tr>
<tr>
<td></td>
<td>• Involve in decision making</td>
</tr>
<tr>
<td></td>
<td>• Engage and consult regularly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Keeping informed</th>
<th>Involving as needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Least important</td>
<td>• High interest, but not highly influential</td>
</tr>
<tr>
<td>• Inform via general communication such as website, newsletters</td>
<td>• Make use of these stakeholders as goodwill ambassadors</td>
</tr>
<tr>
<td></td>
<td>• Consult on particular interest area</td>
</tr>
</tbody>
</table>

Interest of stakeholders: increasingly critical to success of project

Influence of stakeholder
STAKEHOLDER ATTRIBUTES

**Power**

- Access to coercive (forceful), utilitarian (functional/effective), or normative.
- Can impose its will in its relationship.
STAKEHOLDER ATTRIBUTES

Legitimacy

• A generalised perception/ assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions.

(Rasche & Esser, 2006)
STAKEHOLDER ATTRIBUTES

**Urgency**

- Exists when a relationship or claim is of a **time-sensitive** nature and when that relationship or claim is important or **critical to the stakeholder**.
- The extent to which stakeholder efforts **call for immediate attention** by a firm.
STAKEHOLDER ATTRIBUTES

If only 1 of 3 variables is present:
• Stakeholder is *dormant* (latent) or low in salience
• the demands of the stakeholder *may not be important*

If all variables are present:
• Stakeholder is *overt* (definitive) or high in salience.
• Requires an *immediate* and full response
The diagram illustrates the relationship between power, legitimacy, and urgency, categorizing stakeholders into eight types based on their attributes:

1. Dormant Stakeholder
2. Discretionary Stakeholder
3. Demanding Stakeholder
4. Dominant Stakeholder
5. Dangerous Stakeholder
6. Dependent Stakeholder
7. Definitive Stakeholder
8. Non-stakeholder
STAKEHOLDER ATTRIBUTES

Combining these 3 attributes generates 8 types of stakeholder:

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1. Dormant stakeholders    | • Power to impose their will  
• Power remains unused when there is no legitimate relationship or an urgent claim |
| 2. Discretionary stakeholders | • Possess legitimacy, but have no power to influence and no urgent claim.  
• There is no pressure to engage in a relationship with a stakeholder |
| 3. Demanding stakeholders   | • Exist where the sole stakeholder relationship attribute is urgency: those with urgent claims, but have neither legitimacy nor power |
| 4. Dominant stakeholders    | • Powerful and legitimate.  
• Their influence in the relationship is assured and they form dominant coalition |
## STAKEHOLDER ATTRIBUTES

Combining these 3 attributes generates 8 types of stakeholder:

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Attributes</th>
</tr>
</thead>
</table>
| 5. Dependent stakeholders         | - Lack of power, but have urgent and legitimate claims. Depend on others to carry out their will.  
                                   | - Power in this relationship is not reciprocal and is advocated through the values of others. |
| 6. Dangerous stakeholders         | - Possess urgency and power but not legitimacy and maybe coercive or dangerous.  
                                   | - The use of coercive power often accompanies illegitimate status. |
| 7. Definitive stakeholders        | - Possess power, legitimacy, and urgency.  
                                   | - Any stakeholder can become definitive by acquiring the missing attributes. |
| 8. Non-stakeholders               | - Possess none of the attributes                                          |
CLASSIFICATION OF STAKEHOLDERS

Stakeholders need to be categorised or grouped for the better utilisation of rules for generating appropriate strategies

- Primary stakeholders
- Secondary stakeholders
- Non-social stakeholders
- Internal and external stakeholders
- Political stakeholders
Primary Stakeholder

- Have a **formal, official, or contractual relationships**
- Direct **impact** and involve **human entities**
- Have a **direct stake** in the organisation and its success
- Bear some form of **risk**

*The corporation **cannot survive without them***
Secondary Stakeholder

- Have a public or special interest stake in the organisation.
- Less direct involvement but sometimes extremely influential
- It can influence and can be influenced by the corporation
- But not engaged in transactions with the corporation and are not essential for its survival, e.g. NGOs, activists, communities
## Non-social Stakeholder

<table>
<thead>
<tr>
<th>Do not involve human relationships</th>
<th>Divided into primary (direct) and secondary (indirect)</th>
<th>For example, natural environment, non-human species, future generations and their defenders in pressure groups.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither influenced by nor a factor in the survival of the organisation</td>
<td>Easy but extremely detrimental for managers to assume stakeholders who oppose them are irrational and irrelevant</td>
<td></td>
</tr>
</tbody>
</table>
Internal & External Stakeholders

Internal stakeholders
The management, marketing experts, designers, purchasing, manufacturing, assembly and sales

External stakeholders
The users or customers, distributors, governments, suppliers, communities, laws and regulations
## Internal & External Stakeholders

<table>
<thead>
<tr>
<th>Internal Stakeholders</th>
<th>External Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand Side</strong></td>
<td><strong>Supply Side</strong></td>
</tr>
<tr>
<td>Client</td>
<td>Systems integrator</td>
</tr>
<tr>
<td>Financiers</td>
<td>Consultants</td>
</tr>
<tr>
<td>Client’s employees</td>
<td>Technology suppliers</td>
</tr>
<tr>
<td>Client’s customers</td>
<td>Materials suppliers</td>
</tr>
<tr>
<td>Client’s tenants</td>
<td></td>
</tr>
<tr>
<td>Client’s suppliers</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Private</strong></td>
</tr>
<tr>
<td></td>
<td>Local residents</td>
</tr>
<tr>
<td></td>
<td>Local landowners</td>
</tr>
<tr>
<td></td>
<td>Environmentalists</td>
</tr>
<tr>
<td></td>
<td>Conservationists</td>
</tr>
<tr>
<td></td>
<td>Archaeologists</td>
</tr>
<tr>
<td></td>
<td><strong>Public</strong></td>
</tr>
<tr>
<td></td>
<td>Regulatory agencies</td>
</tr>
<tr>
<td></td>
<td>Local government</td>
</tr>
<tr>
<td></td>
<td>National government</td>
</tr>
</tbody>
</table>
Political Stakeholders

Divided into 2 different sub-groups

**National stakeholders**
Governmental actors (central government, state government, local authorities).
NGOs.

**International stakeholders**
Supranational organisations which constituted by national government (IMF, WTO).
NGOs (Greenpeace, international association of trade unions, international media).

Both governmental actors and supranational organisations are classified as ‘public stakeholders’ while NGOs are classified as ‘private stakeholders’.
Mostly the process proposed by various researchers will include:

1. Identification of stakeholders
2. Communication between stakeholders
3. Analyzing the stakeholders
Effective Stakeholder Management

- Alignment of incentives
- Early development of a mitigation strategy
- Friends in the right places
- Effective consent management
- A strong client
- An ethical approach
- Public relations
- Visualisation/rapid prototyping
- Getting the concrete on the table
Five factors that could bring about different project outcomes. (Olander and Landin, 2008)

- Analysis of stakeholder concerns and needs
- Communication of benefits and negative impacts
- Evaluations of alternative solutions
- Project organization
- Media relations
STAKEHOLDER ANALYSIS

- An identification of stakeholders
- An assessment of their interests
- Ways in which these interests affect project risk and validity
- Evaluate the stakeholders’ capacity development
STAKEHOLDER ANALYSIS

To draw out the interests of stakeholders

To assess project environment

To identify conflicts of interests
STAKEHOLDER ANALYSIS

4R concept

*Rights*
To access and use products, access to employment

*Responsibilities*
Implement decision and rules, procedures and beneficiaries and abide by rules

*Revenues*
Accrued from resources accessed, and from employment, as well as indirect benefits.

*Relationships*
Includes stakeholders in the conflict and their history with one another
STAKEHOLDER ANALYSIS STEPS

List all Stakeholders
Identify a long list of stakeholders who could potentially be involved in the option appraisal.

Assess their strength and prioritise
Narrow the list down to those who you feel need to be involved or consulted. Prioritise these in order of importance, considering their input into option appraisal and contribution to delivery of resultant change.

Establish available resources
Consultation can be extremely expensive and can spiral out of control. It is therefore important to establish resources available for this area. This will affect both the number of stakeholders included and the methodologies chosen.

Decide how to involve/engage
Methods of consultation and engagement will vary depending on who each group of stakeholders are, their input, interest and importance to the options development and appraisal process.

Consult and Feedback
Carry out consultation exercise and record results. Ensure there is a mechanism for feedback the results of the consultation process. Consideration needs to be given to when feedback is best given and could be during the option appraisal or after completion dependent on the stakeholders concerned.
Stakeholder Analytical Framework

**Identification**
- Identify the stakeholders with potential interests in the project and its outcome
- Identify coalitions of stakeholders

**Evaluation**
- Examine stakeholders’ expectation gaps and their interrelationships
- Identify stakeholders’ roles and role conflicts

Freeman (1984)
LET'S RECAP...

Stakeholder Management

- Stakeholder Identification
- Stakeholder Analysis
- Stakeholder Communication
- Stakeholder Engagement
Stakeholder Engagement

a.k.a.

Public Consultation/ Participation
Stakeholder Management

Education, Consultation, Communication, Extension, Partnership, Participation

It's all Engagement!
Managing stakeholder engagement

- Senior strategists
- Designers and developers
- Action team
- Staff and trustees

Project managers
WHY DO WE ENGAGE WITH STAKEHOLDERS?

- A better understand its impacts
- Help articulate its values, mission, strategy, commitments and implementation
- Facilitate a regulatory approvals process
- Participate in measurement and reporting
- Determine the style of engagement and stakeholders' expectations
- Avert or solve a crisis, or to proactively improve relationships
WHEN DO WE ENGAGE WITH STAKEHOLDER?

Engage with stakeholders from the start
WHEN DO WE ENGAGE WITH STAKEHOLDER?

As early as possible

Why?
One of the most common failures to the success of a project if neglected (Sharma, 2008)

Why bother engaging stakeholders?
There can be no common enduring agreement, ownership or support for a particular project.
HOW DO WE ENGAGE WITH STAKEHOLDERS?

- Meetings
- Social Contacts
- Questionnaire
- Workshops
- Email
- Negotiation
- Interview
- Feedback Sheets
• Increasingly apparent for larger and more complex.
• A toolkit - provides guidance on how best to plan for, manage, implement and evaluate stakeholder
• Valuable management tool for major projects
• Part of mainstream business practice
• Central to public policy decision-making and delivery.
• Improve communications
• Obtain wider community support or buy-in for projects
• Gather useful data and ideas
• Enhance public sector or corporate reputation
• Provide for more sustainable decision-making.
• Should be at the heart of any **sustainable development** agenda.

• A *strategic concern*, putting your stakeholders at the heart of your business and ensuring that everything you do across the business is designed to meet and exceed *their needs and expectations*. 
“We are already interact with them on a frequent, if not daily basis”
Far more than dealing with them at the day to day level

Effective communication

Management of the relationships between project team and its stakeholders

Focused on controlling stakeholders and managing risks
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Efficient management of the relationships between the project and its stakeholders is an important key to project success.</td>
<td>• A <strong>social process</strong> where diverse stakeholders share a <strong>common forum</strong>, learn about each other’s values, reflect upon their own values and create a <strong>shared vision and shared objectives</strong>.</td>
<td>• Building up and maintaining an open and constructive relationship with stakeholders.</td>
</tr>
</tbody>
</table>
Stakeholder Engagement

how to make better decisions, create better outcomes, and turn opposition into support.

Stakeholder Engagement
Common understanding of what stakeholder engagement means is lacking

REMEMBER

No common characteristics of effective management

No common process of stakeholder engagement
4 steps in the stakeholder engagement process:

1. Identifying the **purpose** of the project
2. Mapping the stakeholders **who** are going to be engaged
3. Choosing a suitable **method** to engage
4. Developing performance **measures**.

(Bolts, 2011)
Process

- Internal preparation and alignment
  - Understanding the stakeholders
  - Planning
  - Monitoring, evaluating and documenting
- Building trust
  - Consulting
  - Responding and implementing

(Jeffery, 2009)
The Stakeholder Engagement Process

1. Identify Stakeholders
2. Identify Concerns
3. Prioritize & Map
4. Engage Stakeholders
5. Review & Report

Stakeholder Engagement Cycle

- Identifying Stakeholders
- Creating & Analyzing Stakeholder Profiles
- Defining & Re-defining Stakeholder Engagement Strategy
- Engaging Stakeholders
- Planning Stakeholder Engagements

Often not considered:

Measuring Stakeholder Engagement Effectiveness
Stakeholder Engagement

1. Identify Stakeholders
2. Initial identification of material stakeholders
3. Define engagement objective and scope
4. Establish engagement plan and schedule
5. Determine ways of engagement that work
6. Build and strengthen capacity
7. Understand materiality to define risks / opportunities
8. Internalize and operationalize learning
9. Measure, monitor and assess performance
10. Assess, redefine and re-map.

Thinking & Planning

Stakeholder Engagement

Responsiveness

Materiality

Completeness
Stakeholder Engagement

Act, review and improve:
- monitor, evaluate and refine engagement
- learn and improve
- follow up on the action plan
- report on engagement

Engage:
- invite stakeholders to engage
- brief stakeholders
- engage
- document engagement and outputs
- develop an action plan
- communicate plans

Plan:
- identify stakeholders
- map stakeholders
- determine engagement methods
- determine disclosure boundaries
- draft engagement plan

Prepare:
- mobilise resources
- build capacity
- identify and prepare for risks
Approach

Key stakeholder
- Focus effort on this group
- Project allies
- Enlist help
- Involve in decision making
- Engage and consult regularly

Meeting needs
- Engage and consult on interest area
- Increase level of interest
- Aim to move to key stakeholder

Involving as needed
- High interest, but not highly influential
- Make use of these stakeholders as goodwill ambassadors
- Consult on particular interest area

Keeping informed
- Least important
- Inform via general communication such as website, newsletters

# Approach

<table>
<thead>
<tr>
<th>Engagement approach</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership</td>
<td><strong>Shared accountability and responsibility.</strong> Two-way engagement joint learning, decision making and actions</td>
</tr>
<tr>
<td>Participation</td>
<td><strong>Part of the team,</strong> engaged in delivering tasks or with responsibility for a particular area/activity. Two-way engagement within limits of responsibility.</td>
</tr>
<tr>
<td>Consultation</td>
<td><strong>Involved, but not responsible and not necessarily able to influence</strong> outside of consultation boundaries. Limited two-way engagement: organisation asks questions, stakeholders answer.</td>
</tr>
<tr>
<td>Push communications</td>
<td>One-way engagement. Organisation <strong>may broadcast information</strong> to all stakeholders or target particular stakeholder groups using various channels e.g. email, letter, webcasts, podcasts, videos, leaflets.</td>
</tr>
<tr>
<td>Pull communications</td>
<td>One-way engagement. Information is <strong>made available,</strong> stakeholder choose whether to engage with it.</td>
</tr>
</tbody>
</table>
Different Levels Of Stakeholder Engagement?

Continuum Of Participation

- Inform Stakeholders
- Listen to Stakeholders
- Engage Stakeholders in problem solving
- Joint decision-making with Stakeholders
# Example Worksheet

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Goals, motivations, and interests</th>
<th>Influence</th>
<th>Interest</th>
<th>Action</th>
<th>Win/win strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management Board</td>
<td>The successful delivery of the project on budget and on time.</td>
<td>High</td>
<td>High</td>
<td>Key player</td>
<td>Sign off of key decisions and stages via existing channels.</td>
</tr>
<tr>
<td>External Relations Office/Communications Office</td>
<td>Maintaining a positive public image for the university, its staff and students.</td>
<td>High</td>
<td>High</td>
<td>Key player</td>
<td>Partner in the development and delivery of the communication plan.</td>
</tr>
<tr>
<td>Catering Maintenance Cleaning</td>
<td>Ability to continue business as usual and potential impact on existing contracts.</td>
<td>Low</td>
<td>High</td>
<td>Show consideration</td>
<td>Show consideration via regular updates and provide clear channels for expressing concerns.</td>
</tr>
<tr>
<td>Fire service</td>
<td>Compliance with regulations and fire safety.</td>
<td>High</td>
<td>Low</td>
<td>Meet requirements</td>
<td>Ensure all projects follow correct procedures. No additional action.</td>
</tr>
</tbody>
</table>
# Stakeholder Management Sheet

<table>
<thead>
<tr>
<th>Name of Stakeholder</th>
<th>Name of Contact</th>
<th>Stakeholder Type</th>
<th>Influence Level</th>
<th>Interest Level</th>
<th>Support Level</th>
<th>Required Action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

- **Use detail from Stakeholder Mapping exercise**
- **Use detail from Interest & Influence Chart**
- **Positive, Negative or Neutral stance?**
## Planning Guide

### Who are the stakeholders we want to engage?

<table>
<thead>
<tr>
<th>Why are they a priority? Are they always a priority or is there a special reason why they are at this time?</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are their general characteristics, individually, that will affect our engagement efforts with them?</td>
</tr>
<tr>
<td>What are their general characteristics, as a group that will affect our engagement efforts with them?</td>
</tr>
<tr>
<td>What do we need from them?</td>
</tr>
<tr>
<td>What do they need from us?</td>
</tr>
<tr>
<td>What do they need from each other?</td>
</tr>
<tr>
<td>How do they perceive us?</td>
</tr>
<tr>
<td>How do they perceive each other?</td>
</tr>
</tbody>
</table>
## Planning Guide

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What types of information do they need from us?</td>
<td></td>
</tr>
<tr>
<td>What types of information do we need from them?</td>
<td></td>
</tr>
<tr>
<td>What types of information do they need from each other?</td>
<td></td>
</tr>
<tr>
<td>How do we handle information sharing with them?</td>
<td></td>
</tr>
<tr>
<td>How do they handle information sharing with us?</td>
<td></td>
</tr>
<tr>
<td>How do they handle information sharing with each other?</td>
<td></td>
</tr>
<tr>
<td>What are the primary challenges they and we face in regards to information sharing?</td>
<td></td>
</tr>
<tr>
<td>Which of these challenges are most important for us to deal with?</td>
<td></td>
</tr>
</tbody>
</table>
# Planning Guide

**Project Name:**

**Date:**

<table>
<thead>
<tr>
<th>What success looks like for:</th>
<th>The project team:</th>
<th>The organisation/Minister:</th>
<th>The community/other stakeholders:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>INFORM</strong></th>
<th><strong>CONSULT</strong></th>
<th><strong>INVOLVE</strong></th>
<th><strong>COLLABORATE</strong></th>
<th><strong>EMPOWER</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promise:</strong></td>
<td><strong>Promise:</strong></td>
<td><strong>Promise:</strong></td>
<td><strong>Promise:</strong></td>
<td><strong>Promise:</strong></td>
</tr>
<tr>
<td>We will keep you informed.</td>
<td>We will keep you informed, listen to and acknowledge concerns and provide feedback on how your input influenced the decision.</td>
<td>We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how your input influenced the decision.</td>
<td>We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.</td>
<td>We will implement what you decide.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Stakeholders:</strong></th>
<th><strong>Stakeholders:</strong></th>
<th><strong>Stakeholders:</strong></th>
<th><strong>Stakeholders:</strong></th>
<th><strong>Stakeholders:</strong></th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th><strong>Tools:</strong></th>
<th><strong>Tools:</strong></th>
<th><strong>Tools:</strong></th>
<th><strong>Tools:</strong></th>
<th><strong>Tools:</strong></th>
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</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
### Stakeholder Engagement Matrix

**Stakeholder Groups**

<table>
<thead>
<tr>
<th>Stakeholder Groups</th>
<th>Internal Stakeholders</th>
<th>External Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement Type:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(R) Responsible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) Accountable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(C) Consulted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(I) Informed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Enterprise Analysis**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Programme Manager</th>
<th>PMO</th>
<th>Enterprise Architect</th>
<th>Solution Architect</th>
<th>Data Architect</th>
<th>Release Manager</th>
<th>Auditor</th>
<th>Project Manager</th>
<th>Business Analyst</th>
<th>Subject Matter Experts</th>
<th>Sponsor</th>
<th>Business Owners</th>
<th>Steering Committee</th>
<th>Test Manager</th>
<th>Tester</th>
<th>UE Architect</th>
<th>UE Specifier</th>
<th>IT</th>
<th>HR</th>
<th>Customers</th>
<th>Finance</th>
<th>Training</th>
<th>Others</th>
<th>Task Start Date</th>
<th>Task End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Case</td>
<td>R</td>
<td>R</td>
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<td>A</td>
<td>C</td>
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<tr>
<td>Updated Business Case and key decision points</td>
<td>R</td>
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**Requirements Planning & Management**

<table>
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<th>Requirement</th>
<th>Programme Manager</th>
<th>PMO</th>
<th>Enterprise Architect</th>
<th>Solution Architect</th>
<th>Data Architect</th>
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<th>HR</th>
<th>Customers</th>
<th>Finance</th>
<th>Training</th>
<th>Others</th>
<th>Task Start Date</th>
<th>Task End Date</th>
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<tbody>
<tr>
<td>Project Team Member Roles &amp; Responsibilities</td>
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<tr>
<td>Stakeholders &amp; Relationship to Project</td>
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</table>

**Elicit Requirements**

<table>
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<tr>
<th>Requirement</th>
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<th>PMO</th>
<th>Enterprise Architect</th>
<th>Solution Architect</th>
<th>Data Architect</th>
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<th>UE Specifier</th>
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<th>Finance</th>
<th>Training</th>
<th>Others</th>
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<th>Task End Date</th>
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</thead>
<tbody>
<tr>
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</table>

**Requirements Analysis & Documentation**

<table>
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<th>Enterprise Architect</th>
<th>Solution Architect</th>
<th>Data Architect</th>
<th>Release Manager</th>
<th>Auditor</th>
<th>Project Manager</th>
<th>Business Analyst</th>
<th>Subject Matter Experts</th>
<th>Sponsor</th>
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<th>Training</th>
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<th>Task End Date</th>
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<tbody>
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</table>

**Requirements Communication**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Programme Manager</th>
<th>PMO</th>
<th>Enterprise Architect</th>
<th>Solution Architect</th>
<th>Data Architect</th>
<th>Release Manager</th>
<th>Auditor</th>
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<th>Subject Matter Experts</th>
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<th>Business Owners</th>
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<th>UE Architect</th>
<th>UE Specifier</th>
<th>IT</th>
<th>HR</th>
<th>Customers</th>
<th>Finance</th>
<th>Training</th>
<th>Others</th>
<th>Task Start Date</th>
<th>Task End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirements Package e.g. Executive Summary, Formal Documentation, RFI, RFP, etc.</td>
<td>I</td>
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<td>A</td>
<td>C</td>
<td>C</td>
<td>I</td>
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</table>

**Solution Assessment & Validation**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Programme Manager</th>
<th>PMO</th>
<th>Enterprise Architect</th>
<th>Solution Architect</th>
<th>Data Architect</th>
<th>Release Manager</th>
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<th>Sponsor</th>
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<th>Test Manager</th>
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<th>IT</th>
<th>HR</th>
<th>Customers</th>
<th>Finance</th>
<th>Training</th>
<th>Others</th>
<th>Task Start Date</th>
<th>Task End Date</th>
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</thead>
<tbody>
<tr>
<td>Post Implementation Review</td>
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</tbody>
</table>

**Responsible**

Those who do the work to complete the task.

**Accountable**

Those who sign off or approve the task.

**Consulted**

Those whose opinion or input is sought. Two-way communication.

**Informed**

Those who are kept up to date on progress. One-way communication.
THE RESEARCH
AIM
To formulate a structure for stakeholders engagement especially in major infrastructure projects

SCOPE
Stakeholder engagement
Infrastructure projects
Greater Kuala Lumpur/Klang Valley
OBJECTIVES

• To explore the needs of different groups of stakeholders in infrastructure projects.

• To investigate the critical success factor to stakeholder engagement in infrastructure projects.

• To investigate the key lessons learnt of stakeholder engagement practices in infrastructure projects.

• To develop an effective process for stakeholder engagement in infrastructure projects.
<table>
<thead>
<tr>
<th>SIGNIFICANCE OF THE RESEARCH</th>
<th>Understand the current strategies applied for stakeholder engagement in infrastructure projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Identify the efficiency approaches in engaging stakeholders</td>
</tr>
<tr>
<td></td>
<td>Develop effective strategic for stakeholder engagement</td>
</tr>
</tbody>
</table>
GREATER KUALA LUMPUR

Greater KL/KV 20-20 by 2020 – to be among the world’s top 20 cities in terms of economic growth and liveability by 2020

Greater KL/KV is composed of 10 local authorities
2010 population (5.7 mln) '000 pax

- Kuala Lumpur 1,723
- MP Klang 747
- MP Kajang 743
- MP Subang Jaya 583
- MP Petaling Jaya 577
- MP Selayang 559
- MP Shah Alam 528
- MP Ampang Jaya 142
- Putrajaya 89
- MP Sepang 82

• The Government is committed to develop GKL/KV into a top-20 city ranking in economic growth and liveability by 2020

• The transformation focus is on making the city a magnet for companies and corporations, enhancing connectivity and attractions, as well as improving services.

• There are 9 Entry Point Projects (EPPs), and 3 Business Opportunities (BOs).
The 9 Entry Point Projects (EPPs):

- Attracting 100 of the world’s most dynamic firms within priority sectors
- Attracting the right mix of internal and external talent
- Connecting to Singapore via a high speed rail system
- Building an integrated urban mass rapid transit system
- Revitalising the Klang River into a heritage and commercial district
- Greening GKL/KV to ensure residents enjoy sufficient green space
- Creating iconic places and attractions
- Creating a comprehensive pedestrian network
- Developing an efficient solid waste management ecosystem

Why Infrastructure Projects?

As incomes rise in Malaysia and the economy diversifies, strengthening infrastructure is a key driver of potential growth, linking Malaysia’s key cities both with rural areas and with its export markets. Following the May 2013 election victory, the government is expected to accelerate many infrastructure projects, notably the Kuala Lumpur MRT system, which should be operational by 2016.

Infrastructure Projects

The civil engineering subsector expansion in the past year bolstered by the ongoing implementation of infrastructure projects and corridor development.

Example:
- LRT Line Extension Project (LEP) (KJ-Putra Heights-Sri Petaling, 17km)
- Express Rail link (ERL) from KLIA to KLIA2
- Klang Valley MRT (KVMRT)
- New Klang Valley LRT line (Kota Damansara-Cheras) (40km)
- Gombak Integrated Transport Terminal (GITT)
- Pahang-Selangor raw water transfer
- KLIA 2
- Langat 2 treatment plant

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
<th>Length</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUKE EXT-</td>
<td>Lebuhraya Sambungan Duta - Ulu Kelang</td>
<td>15.1 km</td>
<td>-</td>
</tr>
<tr>
<td>NPE EXT</td>
<td>Lebuhraya Sambungan Baru Pantai</td>
<td>9.6 km</td>
<td>Pantai Dalam to Jln Kuching</td>
</tr>
<tr>
<td>SKIP</td>
<td>Lebuhraya Serdang-Kinrara-Putrajaya</td>
<td>17 km</td>
<td>-</td>
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<tr>
<td>PSKLIA</td>
<td>Lebuhraya Paroi-Senawang-KLIA</td>
<td>50 km</td>
<td>-</td>
</tr>
<tr>
<td>SUKE</td>
<td>Lebuhraya Bertingkat Sg. Besi-Ulu Kelang</td>
<td>31.8 km</td>
<td></td>
</tr>
<tr>
<td>KIDEX</td>
<td>Lebuhraya Kinrara - PJ – Damansara</td>
<td>13.5 km</td>
<td></td>
</tr>
<tr>
<td>DASH</td>
<td>Lebuhraya Damansara-Shah Alam</td>
<td>24.5 km</td>
<td>Puncak Perdana to Penchala Link</td>
</tr>
<tr>
<td>LPB</td>
<td>Lebuhraya Pantai Barat &quot; Banting - Taiping &quot;</td>
<td>315.8 km</td>
<td>Changkat Jering to KLIA</td>
</tr>
<tr>
<td>KLORR</td>
<td>Lebuhraya Lingkaran Luar Kuala Lumpur</td>
<td>38.1 km</td>
<td>KL-Karak to SILK</td>
</tr>
</tbody>
</table>

Once your street is improved, the curb will be right here.
Before I make my decision, I'd like to ask for your opinions.

It's supposed to make you feel "engaged."

And you actually plan to listen to us?

I'm hoping it will look that way on the outside.
Distributed to project managers, quantity surveyor, architect and public in Greater KL/KV area

To identify and evaluate of the current practices on stakeholder engagement in local infrastructure projects

Sent by post, hand delivered and email
The results are in!

You gotta check it out!
Understanding the Definition of Stakeholder

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

- Can affect the development of the project
- Can be affected by the development of the project
- Have interest in the project
- Receive benefits/loss
- Have expectation for project performance
- Can contribute knowledge, insights and support to a project
- Can be threat to a project
- May have contractual relationship
- Can be internal or external of the organization
- Involve in the project
Understanding the Definition of Stakeholder

- Can affect the development of the project: 60% Strongly Agree, 30% Agree, 10% Disagree, 0% Strongly Disagree
- Can be affected by the development of the project: 50% Strongly Agree, 40% Agree, 10% Disagree
- Have interest in the project: 40% Strongly Agree, 30% Agree, 20% Disagree, 10% Strongly Disagree
- Receive benefits/loss: 30% Strongly Agree, 40% Agree, 20% Disagree, 10% Strongly Disagree
- Have expectation for project performance: 20% Strongly Agree, 30% Agree, 30% Disagree, 20% Strongly Disagree
- Can contribute knowledge, insights and support to a project: 20% Strongly Agree, 30% Agree, 30% Disagree, 20% Strongly Disagree
- Can be threat to a project: 10% Strongly Agree, 40% Agree, 40% Disagree, 10% Strongly Disagree
- May have contractual relationship: 20% Strongly Agree, 30% Agree, 30% Disagree, 20% Strongly Disagree
- Can be internal or external of the organization: 10% Strongly Agree, 20% Agree, 50% Disagree, 20% Strongly Disagree
- Involve in the project: 10% Strongly Agree, 20% Agree, 40% Disagree, 30% Strongly Disagree
Considerable asset

Group / Individual

Can contribute knowledge insights and support

Can affect or be affected

Have an expectation

Receive associated direct and indirect benefits and/or losses
What is a stakeholder?

- Creating and destroying value

Internal stakeholders

- Legal contract with the client

External stakeholders

- All others with a direct interest in the project

Project stakeholders

- Influence the progress of the project.
Stakeholders’ needs in infrastructure projects

- Economic benefits received from the projects: 5
- Value-for-money of the projects: 4
- Location of the projects: 4
- Sustainable development of projects: 2
- Unique architectural design: 7
- Clear objectives of the project: 6
- Shorter time frame of the project: 3
- Quality of the project: 3
- Health and safety during the construction: 1
- Low risk of the projects: 6

Strongly Agree
Agree
Disagree
Strongly Disagree
Common issue in infrastructure projects

- Environmental issue
- Political issue
- Economic issue
- Financial issue
- Land issue
- Material used issue
- Safety issue
- Risk management issue
- Stakeholder issue

Very Important
Important
Less Important
Not important

Common issue in infrastructure projects
Effective methods to engage with stakeholders

- Meetings
  - Individually
  - In groups
- Social networking and advertising
  - Media marketing (e.g., Twitter, Facebook, blogs, etc.)
  - Social media tools (e.g., online voting, texting, etc.)
- Negotiations
- Workshops
- Interviews
  - Telephone interviews
  - Face-to-face interviews
- Questionnaires
- Emails
- Feedback sheets
- Websites

Legend:
- Very Important
- Important
- Less Important
- Not Important
HOW DO WE ENGAGE WITH STAKEHOLDERS?

LET'S RECAP...

- Social Contacts
- Meetings
- Questionnaire
- Workshops
- Email
- Interview
- Negotiation
- Feedback Sheets
Let's recap...
Critical success factors of stakeholder engagement

1) Project team’s motivation and goal orientation
2) A clear project objective
3) Understanding of stakeholders’ interests, types and needs.
4) Predicting the influence and reaction of stakeholders at much earlier stage of a project
5) Engage stakeholders at much earlier stage of a project
6) Regular communication and establishing and maintaining relationship with the stakeholders
7) Monitoring and managing stakeholders’ contribution and maintaining the relationship
8) Actively providing feedback on the project and listening to stakeholders’ feedback
9) Assessing and addressing the impact of the project
10) Analyzing conflicts among stakeholders
11) Building and maintaining a base of trust
12) Evaluate stakeholders’ power
13) Evaluate stakeholder legitimacy
14) Reduce uncertainty and risks
15) Increases accountability during engagement

 bardzo istotne

ważne

mniej ważne

nie ważne

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15) Increases accountability during engagement

very important

important

less important

not important
Challenges of stakeholder engagement

1) Insufficient time frame to engage
2) Cultural barriers exist
3) Lack of commitment from stakeholders
4) Lack of ability to understand the implications of the project
5) New use of technology and method
6) Limited in the ability to identify the stakeholder’s needs
7) Insufficient access to support resources
8) Different perceptions of the same issue
9) Difficulty to sort out special interest groups
10) Lack of experience in engaging stakeholders

- Very Important
- Important
- Less Important
- Not Important
Stakeholder Engagement in Malaysia

• Lack of the knowledge in stakeholder engagement
• Lack of practice of stakeholder engagement
• Regular communication among stakeholders is essential
Further readings

Thank you.