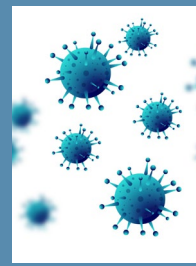




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BUILDING CAPABILITY OF PROJECT PROFESSIONALS



STAKEHOLDER ENGAGEMENT EDITION



**INTERNATIONAL
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MANAGEMENT**

**HOW STAKEHOLDER
INTERACTION AND
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CROSSING THE RUBICON: DRAWING UPON AUTHENTIC AND ENABLING LEADERSHIP TRAITS TO ENRICH STAKEHOLDER RELATIONSHIPS

Written by: Samir Is-Hak, EMCPL, GAICD, MICCPM
Program Director at Systra Scott Lister

A 2019 global survey on the current challenges of project management undertaken by KPMG, the Australian Institute of Project Management and the International Project Management Association identified that only:

- 19% of organisations deliver projects successfully when assessed against cost, schedule, scope and stakeholder satisfaction;
- 44% of organisations are likely to deliver projects that meet the original business intent; and
- 46% of projects are delivered with stakeholder satisfaction.¹

These statistics are unsurprising as reductionist approaches continue to be relied upon to deliver projects despite, the increasingly complex operating environment characterised by borderless interconnectivity, economic and political uncertainties, and volatility from global events. Additionally, disorder and unpredictability also exist with the exponential growth of cyber vulnerability, and a more demanding and technologically savvy customer base.

Despite low project success rates, future trends strongly indicate that projects will remain the core mechanism through which governments and commercial enterprises respond to change, build capability and deliver social and economic benefits. By default, this means that project leaders are expected to manage a more complex web of social, political, technical, contractual and legal stakeholders with differing interests and agendas. It is through this lens of social human interaction within complex projects, and the management of these relationships that this publication aims to inform. The article commences by contextualising the stakeholder interactions and tensions that exist in complex projects, prior to drawing upon key engagement traits contained within authentic and enabling leadership. The paper concludes by providing three organisational change techniques for project leaders to utilise to enrich stakeholder relations to enable successful delivery of complex projects.

¹KPMG, AIPM and IPMA. (2019). The future of project management: global outlook 2019.

Stakeholder Interaction in Complex Projects

From a simplistic view, projects are initiated with defined resources to achieve a strategic goal by a certain deadline. For complex projects, the corporate strategy, organisational structure, operating model, technologies and culture continuously evolve during project execution until final delivery. Project leaders therefore have to plan and adapt to emerging conditions as they arise internally within the organisation and externally from the ecosystem. This means that throughout the project lifecycle, project leaders are required to:

- Influence and integrate multiple and divergent stakeholder views;
- Influence how these individuals and groups interact; and
- Convince the stakeholders to adopt evolutionary practices.²

Concurrently, project leaders are also expected to stabilise the organisations tribal and cultural tensions that exist within the approved project boundaries. It therefore becomes a challenging exercise aligning project outcomes to the varying self-interests at the individual, organisational and societal level. It is on this basis that it is often argued that 'people management' is a key aspect of project management, and one that is most demanding.³

An alternate means of assessing stakeholder interaction in complex projects is through systems thinking. This perspective utilises a project as a 'system within other systems', co-existing within a complex social environment with humans as the key attribute of each system. Figure 1 provides a simplistic view of a project within a system, identifying in generic terms the diverse stakeholder interests, values and rationality that would exist in each system.

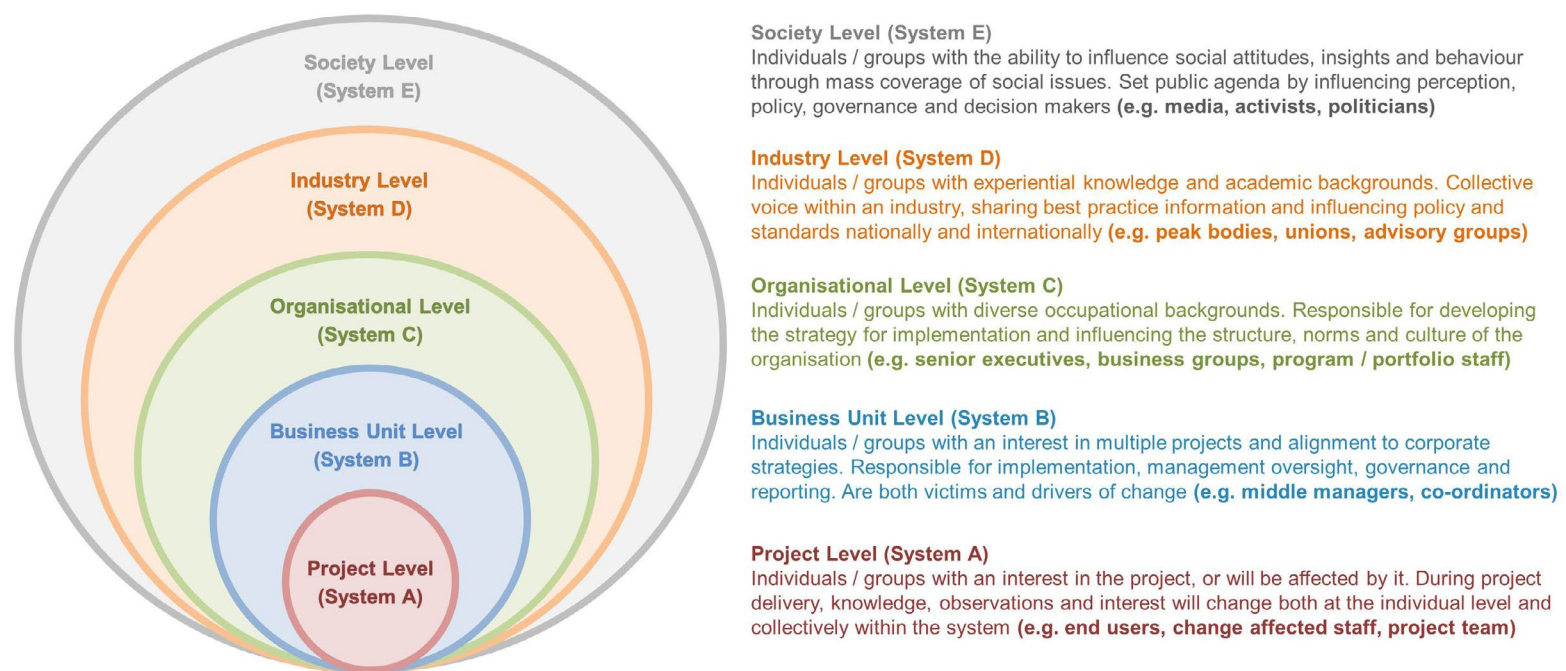


Figure 1 - Overview of a Project within a System

When graphically presented this way, it demonstrates the dynamic, multi-layered and interconnected stakeholder network that exists. Critically, it highlights the various and multifaceted sources of uncertainty and change individuals create both *within* their system and vertically *across* other systems. This is evidenced through the existence of:

- Silos and cultural boundaries;
- Misaligned interests and priorities;
- Interrelationships, interfaces and divergent behaviour; and
- Power play and influence.⁴

²Chapman, J. (2004). System Failure – Why Governments Must Learn to Think Differently, London: Demos.

³Remington, K., & Pollack, J. (2007). Tools for Complex Projects, Hampshire, UK: Gower.

⁴Autio, E. & Hameri, A. P. (1995). 'The structure and dynamics of technological systems: a conceptual model', Technology in Society, vol. 17, no. 4, pp. 365-384.

Considered from this viewpoint, it validates that exercising traditional hierarchical control with defined and repetitive outcomes is insufficient to address the elements that contribute to such stakeholder complexity. To navigate this, it becomes vital for project leaders to establish highly valued interpersonal and collaborative relationships as a catalyst for achieving project success. Further, it demonstrates the requirement for project leaders to utilise their formal and informal networks extensively to incorporate emergence and volatility whilst simultaneously delivering the intended organisational outcomes.

But how do you integrate multiple perspectives in a constrained environment? How do you rapidly build relationships based on trust and mutual benefit? How do you integrate stakeholder knowledge and values into the decision-making process, whilst providing an equitable platform that balances distribution of power? This is where key engagement traits contained within authentic and enabling leadership provide value.

Authentic and Enabling Leadership Approaches

Traditionally, there has been a strong focus on the attributes, qualities and capabilities of leaders. As such, there are many considerations that make up a good leader, including their competence, values, motivations and emotional intelligence just to name a few. The following section provides a brief summary of authentic and enabling leadership and the key engagement traits to inform stakeholder relations.

Authentic Leadership. Individuals under this leadership type are honest in their personal values and convictions, and display consistency between their personal philosophy and actions. Through heightened levels of integrity, they pursue relational transparency and sincerity through disclosure and genuine compassion and care. This leadership type places greater emphasis on self-awareness and deep reflection on an individual's values and vocation which others can relate to.⁵ Soul-searching questions under this leadership type include: *'What life experiences defined the person I am today?'*, *'What is my personal story?'* and *'What legacy would I like to leave behind?'*. As such, authentic leadership is something that is demonstrated rather than proclaimed.

In addition to promoting an ethical and information sharing culture, authentic leaders also build relationships by catering to the needs and well-being of others. This provides a foundation for developing credibility, which in turn builds and strengthens trust at the individual and group level. Importantly, authentic leadership serves as a basis for other positive forms of leadership, such as transformational, servant and ethical leadership – i.e. these forms of leadership are enhanced when a leader is true to self and genuine with others.⁶

Enabling Leadership. This leadership type is aimed at creating conditions that support and sustain evolution and adaptability. It challenges the perception of an organisation as a 'machine', where individuals direct and control using top-down, bureaucratic paradigms. In contrast, enabling leadership supports individuals through the provision of optimal structures and conditions to facilitate collective problem solving.⁷ By fostering interconnectivity and positively leveraging off tensions, it enables diverse stakeholders to interact, self-organise, experiment and create new networks that positively influence each other. This generates collective creativity, drives behavioural change and enables organisational alignment.⁸ Some of the questions that resonate under this leadership approach include: *How can I facilitate ideation, learning and growth between stakeholders? Where do great ideas come from within the organisation?* and *What capabilities exist within the organisation to foster interaction?*

In addition to facilitating collaboration and integration of teams, enabling leadership also empowers individuals and stimulates innovation. Additionally, the development of a shared purpose within the group strengthens partnerships between stakeholders, and enables personal and organisational learning through knowledge sharing and information flow.

⁵George, W. (2003). *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*. San Francisco: Jossey-Bass.

⁶Gardner, W. (2013). Authentic leadership. In E. Kessler (Ed.), *Encyclopedia of management theory* (Vol. 1, pp. 54-56). Thousand Oaks: SAGE Publications.

⁷Fletcher, K. and Käufer, J. K. (2003). Shared leadership, in *Shared leadership: Reframing the hows and whys of leadership*. Pearce, J.A. and Conger, C.L. (eds), Thousand Oaks, California: Sage Publications.

⁸Arena, M. J., and Uhl-Bien, M. (2016). Complexity leadership theory: Shifting from human capital to social capital. *People and Strategy*, 39(2), 22-27.

Strategies to Enrich Stakeholder Relations

The aforementioned leadership approaches each contain distinct elements of 'soft skills', requiring leaders to exercise judgment in how they exhibit and communicate their emotions, and manage the emotions of others. Whilst some of the traits may seem straightforward, they do not come naturally to everyone. They are also challenging to learn and require reflexivity, practice and dedication of time for refinement. In enriching stakeholder relations, three organisational change techniques are proposed, namely: **Appreciative Inquiry; Framing; and Storytelling**.

- **Appreciative Inquiry** centres on asking positive questions to drive organisational change rather than focusing on the negative aspects of problems and deficits. This technique enables change agents to view their organisation using an 'appreciative lens' that builds upon strengths and successes. By placing the energising experiences of its members at its core, appreciative inquiry builds relationships through rich conversations and information sharing. It also enables authentic trust to occur through candid disclosures and diagnosis of cultural influences.⁹
- **Framing** is similarly a positive organisational change methodology aimed at strategically positioning information in ways which appeal to the audience. It enables viewing a problem from different perspectives in order to ascertain assumptions, beliefs and biases. This technique provides greater fidelity in creating a problem statement, which in turn enables solution design that specifically addresses the underlying issue. In addition to acquiring fresh insights to problem solving, framing enhances mutual understanding of perceptions, roles and responsibilities. This in turn enables the creation of a shared purpose.¹⁰
- **Storytelling** is a communication technique used to drive sustainable change. It uses the premise that beliefs and mindsets have the potential to limit thinking and how individuals view things. In contrast, storytelling contains norms, experiences and explanations which create identity, change social practices and share knowledge and values. Notably, effective storytelling conveys emotions, are memorable to the receiver and motivate and inspire individual and group action.¹¹

Each of these strategies have their own importance and merit when used independently. However, they provide greater benefits realisation and more powerful and positive change outcomes when integrated and deployed collectively in a holistic manner. Using the four phases of a project lifecycle as an example, these techniques could be integrated with the triple-loop learning model as defined by Argyris & Schön¹² to:

- Address the uncertainty and unpredictability emanating from the interaction of individuals within a system and across other systems;
- Aid in planning and adoption of evolutionary practices that cater for emergence; and
- Drive improvement and goal alignment.

Figure 2 provides an overview of how project leaders could iteratively deploy such an integrated model across a project's lifecycle.

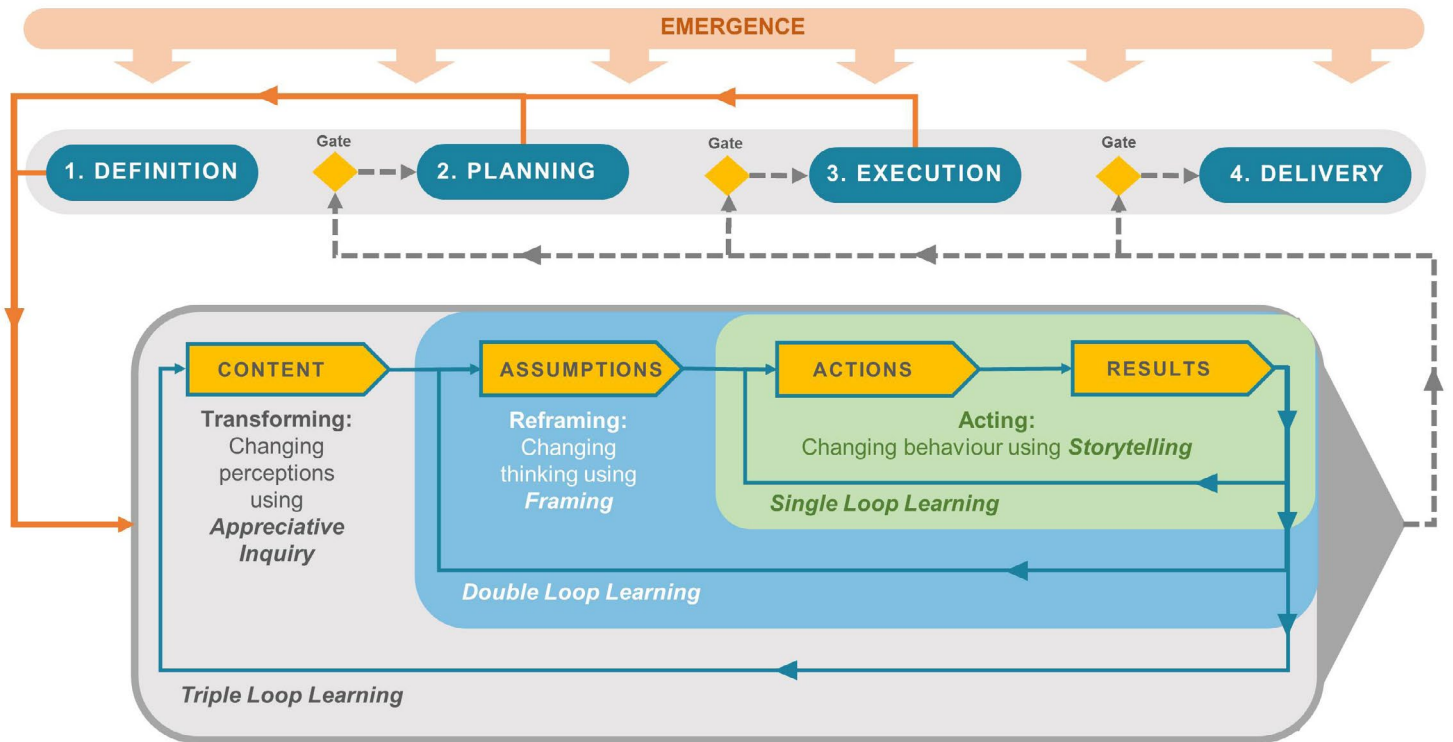
From a stakeholder relationship perspective, the diagram demonstrates how the complimentary integration of each positive technique would rapidly build trust and enrich stakeholder relationships based on common goals, consensus and accountability. Further, it enables diverse views to be incorporated in problem definition and solution design. Finally, it drives collective change through knowledge sharing, individual and organisational learning and mutual commitment to action.

⁹Preskill, H., and Catsambas, T. (2006). *Reframing Evaluation through Appreciative Inquiry*, Thousand Oaks, California. Sage Publications

¹⁰Powel, D. (2015). A conceptual model of systems thinking leadership in community colleges. *Systemic Practice and Action Research*, 28(4): 333–353.

¹¹Mládková, L. (2013). Leadership and Storytelling. *Procedia - Social and Behavior Sciences*. 75. 83–90.

¹²Argyris, C. and Schön, D. A. (1978). *Organizational Learning*, Addison-Wesley, Reading, MA.



Reiterative Process for Planning and to Inform each Project Gate

Figure 2 - Strategies to Enrich Stakeholder Relationships

Summary

This article demonstrates that stakeholder complexity within an increasingly volatile, uncertain and ambiguous operating environment requires project leaders to use significantly different relationship and collaborative approaches as a catalyst for project success. Key engagement traits contained within authentic and enabling leadership provide value in building genuine trust, fostering interconnectivity for problem solving and organisational learning, and driving behavioural change at various levels. The paper concludes by providing three organisational change techniques (appreciative inquiry, framing and storytelling) for project leaders to utilise in various contexts to enrich stakeholder relations and enable successful delivery complex projects in accordance with the intended outcomes.

About the Writer

Samir Is-Hak is a seasoned practitioner in the areas of strategic planning, program, project and operations management, having extensive experience and speciality delivering highly complex projects within the Department of Defence. He is currently a Program Director at Systra Scott Lister, a global management consulting and engineering firm specialising in transport, government, security and technology.



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