

Stakeholders Influence on the Closing Phase of Projects

Milis Nilgün CAIBULA¹,
Constantin MILITARU²

¹ Ph.D. Student. Eng., Stakeholders Influence on the Closing Phase of Projects, Politehnica University of Bucharest, Romania, caibulamilis@yahoo.com

² Prof., Stakeholders Influence on the Closing Phase of Projects, Politehnica University of Bucharest, Romania, prof_militaru@yahoo.com

Abstract: The current context of the socio-economic environment determines a multidimensional approach to performance in project management, taking into account the particularities of each stage of the project development. The stakeholders of the project have a high influence on the project's performance on the scope and the objectives previously established by the beneficiary and the project team. This paper presents the level of the stakeholders' influence on the closing stage of a project in all respects especially on its performance, sustainability and impact. .. The research results highlight the importance of establishing an integrated strategy for addressing stakeholders, in order to achieve the project's indicators.

Keywords: *stakeholder, project management, performance, life cycle.*

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1. Introduction

In a socio-economic environment characterized by insecurity and uncertainty, the notion of a "project" is a subject of great interest, increasingly occupying an essential place in any organization. Implementation of an appropriate project management system has become, in the current context, a priority for different organizations concerned with performance and sustainability. However, being an area insufficiently debated in the specialized literature, management teams generate certain dysfunctions through the management of resources and efforts during the implementation of the entire project. Sustainability, which represents a characteristic of postmodern society, has become an essential requirement for any project, so in its implementation it is essential to take into account all suggestions from stakeholders to obtain sustainable projects that generate beneficial changes for the community in which it is implemented. Chofreh, Goni, Malik, Khan and Klemes (2019) consider that incorporating sustainability into project management concepts and methods, known as SPM should be performed by organizations to gain the competitive advantage.

The project is a temporary structure which is carefully planned to achieve a certain goal. Although a project may have different objectives (releasing a new product or service, creating a new organization by accessing certain non-refundable funds, reintegrating certain disadvantaged people into the education or labor market, protecting natural resources, cultural heritage) from the moment of initiation until the closing phase, the project goes through a series of stages: initiation, planning, execution, monitoring, control and completion. In general, each project starts with identifying a problem.

Once the problem is completely defined, the possible solutions are identified in order to select the most advantageous one. Thus, after the purpose and objectives have been established, the main activities of the project can be characterized and scheduled as well as the main results that are expected to be obtained following the implementation of the project. After the planning phase of the project and the establishment of the implementation team, the interests of the stakeholders are defined to quantify their influence on the project.

All projects carried out within an organization aim to produce a change in the area in which it is implemented by generating certain final and measurable results, ensuring the creation of an improvement from an

unfavorable state to a favorable one. Moreover, all projects carried out in an organization have the role of contributing to the activities' efficiency since the implementation in good condition of a project requires the establishment of work teams with people from several departments within the organization: human resources, financial-accounting, marketing, research-development- innovation, etc. Also, the closing phase of the project consists in collecting and analyzing the information, documents regarding the project, in order to formalize the acceptance of the project by the funding authority or the final client.

The project closing phase also includes the collection of all project records, the conclusion of the contract and the archiving of project's documents. The closing phase of the project is characterized by a lower involvement of resources from the external dimension of the project, because the focus is on the recovery of the financial resources and on achieving the objectives.

The analysis of all information regarding the developed project has the role of revealing the main problems/dysfunctions/issues appeared during the implementation of the project, as well as the way of solving them. All the research carried out at the end of the project is a real lesson for future projects, so they must be properly stored and archived. A project completed in good condition is followed by the dismantling of the newly created structure for the execution of the project and the regrouping of the team members, to implement other projects.

For a project to have a positive impact on the organization in which it is implemented, it must comply with the initially established strategy, produce added value to the organization or community in which it is implemented, as the case, be constantly monitored by comparing the partial results obtained with those expected.

The performance of a project is also evaluated from the external perspective, respectively, that of the stakeholders. In order to achieve the desired results and to ensure the economic performance of the organization in a project, it is necessary to rigorously establish the stakeholders, project participants, as well as the existence of clear orders, and an effective communication report.

A stakeholder is a person or group of people who can produce effects on the whole project or are affected by a certain activity carried out within the project. In the closing stage of the project, the influence of stakeholders has a particularly important role, as they may be people who were actively involved during the project implementation or may be affected (negatively or positively) by the completion of the project. Organizing and

coordinating the project consists in harmonizing its activities with the interests of the stakeholders, in order to achieve an efficient project management and ensure the fulfillment of the project objectives . The present research is motivated by the interest of the management teams regarding the integrated approach of the stakeholders, especially in the closing phase of the project. This approach proposes a harmonization of the results of the project with the objectives of the parties involved. The dimensions from which it started in this process were those determined by the power and legitimacy of the stakeholders (Mitchell, Agle, & Wood, 1997) and subsequently other dimensions were developed.

2. Stakeholders and the closing stage of projects

This paper is part of the category of postmodern studies being made considering the research of the specialized literature, regarding the closing phase of the project and implicitly the way in which this stage is influenced by the stakeholders of the project, in order to obtain sustainable projects. Thus, different articles from well-known journals which fit into the category of postmodern studies or which deal with (any aspect of) postmodernity or postmodernism were studied: how to carry out the characteristic stages of a project, project life cycle, project management, defining project stakeholders, identifying project stakeholders, role and influence of stakeholders on implementation, the way in which the stakeholders of a project can ensure the success or failure of a project. An essential condition for a project to be considered a successful project is the analysis of the interests and needs of stakeholders, as they, during the execution of the project, can have an important influence on the decisions taken by the project team and on its completion.

Special attention was also paid to press publications and public conferences where various topics were discussed: the importance of projects to ensure the economic performance of organizations, how to complete the project in good condition even in a turbulent business environment marked by uncertainty and risk, the impact of stakeholders on the project closing phase. Nowadays, projects management has become an essential component, in most of the organizations, to achieve the necessary transformations for the implementation of the strategy and to obtain a superior competitive position, appealing frequently to different projects. As the business environment becomes increasingly complex and the uncertainty that characterizes most implemented projects can be understood differently by participants in process (Johansen, Eik-Andresen, & Ekambaram, 2014).

In order to successfully complete the project activities, special attention must be paid to stakeholders. In the planning stage of the project, a very important aspect is the identification of stakeholders, respectively, the determination of their requirements, needs, and expectations.

Project management must pay special attention to stakeholders to balance their requirements and claims in decision-making processes (Aaltonen & Kujala, 2010). The way stakeholders control resources and manipulate the supply of resources can directly affect the project strategy (Nguyen, Chileshe, Rameezdeen & Wood, 2019). Considering the total challenges in the business environment and the fact that resources are limited, fulfilling all wishes of stakeholders becomes an increasingly difficult process (Bahadorestani, Naderpajouh, & Sadiq, 2020).

In pursuance achieving the objectives and performance indicators, the project manager and the members of the project team must manage the positive or negative influences coming from the stakeholders. In order to ensure an efficient communication process with the stakeholders of the organization, the project team must carry out strategic project management regarding their involvement in project (Project Management Docs, 2012). Each of the stakeholders of the project may have a different nationality and culture which complicates the whole communication process (Butt, Naaranoja & Savolainen, 2016).

Project stakeholders should not be ignored by the project management team, as they can have a considerable influence its success (Davis, 2014). At the time of the actual implementation of the project, the stakeholders have different levels of authority and responsibility, these levels can fluctuate during the project execution (from occasional participation in studies, analysis, to full support of the project financially, legal, etc.), amplifying or diminishing the success of the project, actively or passively.

In the literature, there is no clear definition of what categories of people can represent the stakeholders of a project: individuals, groups of people, organizations, societies and institutions are generally considered stakeholders (Mitchell, Agle, & Wood, 1997).

Depending on their impact on the project, stakeholders can be classified into the following categories: internal (employees of the organization responsible for project implementation, investors, shareholders), external (funder, partner organizations, beneficiaries, suppliers, local communities), current (influencing or are influenced by the project during the activities), potential (stakeholders who may appear after the implementation of the project), strategic (who may have a major influence on the project), volunteers (people who want to interact with

project team members), involuntary (people who come into contact with the actions carried out within the project, without having intended it) (Reper21, 2010). Therefore, it is necessary for organizations to maintain, both during the execution of the project and at the end of it, an effective relationship with all project stakeholders, both those who can greatly shape the project activities and those who are indirectly affected by the organization's actions. The more satisfied the organization's stakeholders are, the easier it will be to achieve the project objectives, and the faster the project closing phase will occur.

The main steps to be taken in stakeholder analysis are: identifying the needs and influences of stakeholders on project activities, researching related project issues to be solved in connection with the wishes of the stakeholders involved, developing an action plan for each stakeholder to increase the support granted by him to the project and the reduction of divergence.

The stakeholder identification process is closely related to the analysis of their influence and impact on project (Aragonés-Beltrán, García-Melón, & Montesinos-Valera, 2017). Stakeholders may be affected by the final results of project (Beringer, Jonas, & Kock, 2013), so the closing phase of the project must be carried out carefully, taking into account all decision makers involved. The figure below illustrates the stakeholder analysis processes.

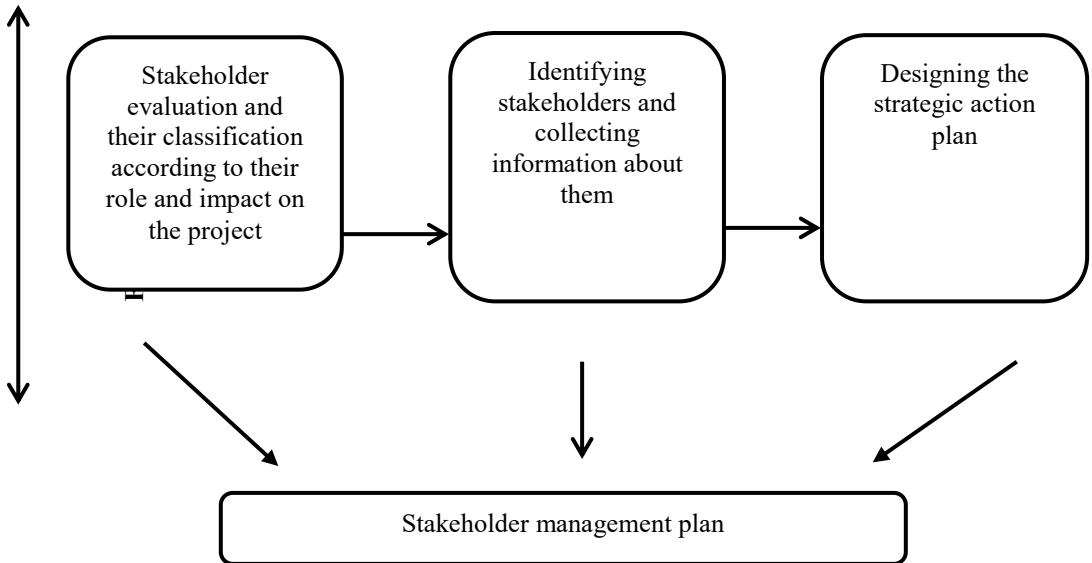


Figure 1. Stakeholder analysis

Source: adapted from Forman & Discenza (2012)

After the identification of stakeholders in the initial processes of the project, for a good coordination of the relationship with them during the characteristics activities of the project, it is necessary to develop a communication plan and a matrix of stakeholders, depending on their degree of influence and impact on the project (what power does a certain stakeholder have over the project, is a decision factor, can influence other people, the stakeholder is a promoter of the project or opposes its implementation, how familiar is the project to him, how often the stakeholder has contact with the project).

Stakeholder management is an iterative process through which stakeholders are coordinated and led through a deliberate plan of communication and strategic action throughout the project life cycle (Forman & Discenza, 2012). The main purpose of stakeholders management is to record and understand the needs of all stakeholders involved in the project, to take into account these needs in planning and organizing characteristic activities of the project. An efficient management of stakeholders is particularly important because without them a project could not be finished. Depending on the results of the evaluation of each

stakeholder, there can be planned actions to change the execution of the project to ensure the success of its implementation in all respects. In order to streamline the closing phase of the project, it is necessary to develop a strategy based on the issues related to stakeholders, which arose during the implementation of the previous project.

Therefore, the research focuses on two directions: in the first part are presented different theoretical concepts regarding project management, respectively, in the closing phase and the influence of stakeholders on it, and in the second part all this information will be used, with the purpose of characterizing the way in which stakeholders participate in the completion of the project. Therefore, this research means a starting point for organizations that implement projects in different fields and have reached the closure phase, the results obtained being of interest to the involved parties.

3. The connection between the stakeholders and the closing stage of the projects

The results obtained from the research confirm the need for a multidimensional approach of the stakeholders, based on a succession of stages, on which the respect of all interests is configured. The specialized literature highlights that these interests can be manifested in discordance with those of the project owner, and mutual ignorance is not a viable solution. Ensuring a system of convergence of objectives and interests can be achieved in the closing phase of projects by developing specific tools, such as the stakeholder matrices. This can be useful to the management team from the point of view of the utility but also of the potential results obtained. Stakeholder identification, organization, and coordination is an ongoing process throughout the project life cycle. Furthermore, understanding their expectations, the degree of influence and impact that each stakeholder can have on the project is an essential condition to ensure the success of the project. The figure below shows the relationship between stakeholders and the project.

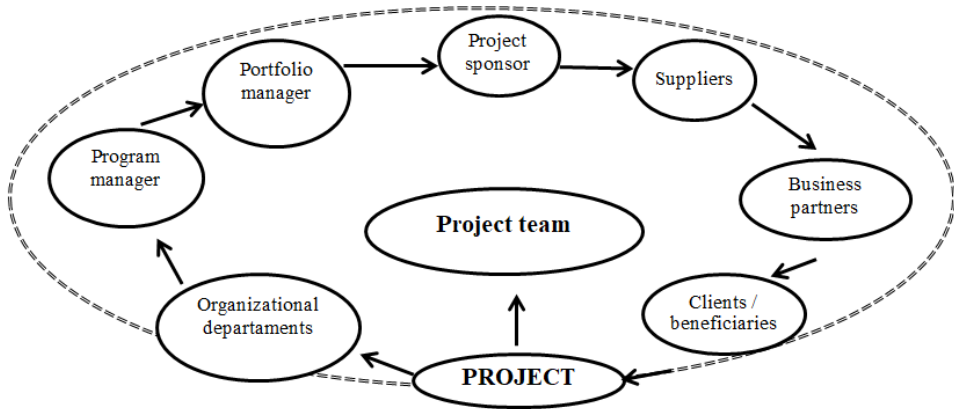


Figure 2. The relationship between stakeholders and the project
Source: adapted from PMI (2014)

In particular, unidentified stakeholders as well as all unknown information can be an important source for generating new project solutions (Pollok, Lüttgens, & Piller, 2019; Bayus, 2013; Penin, & Burger-Helmchen, 2011). Failure to identify project stakeholders can lead to delays in activities, increased costs, unexpected problems, difficult to manage or resolve, and even non-closure of the project. Just as in the closing stage, project stakeholders can positively or negatively affect the objectives and results of the project, so the project can be perceived by the stakeholders as producing positive or negative effects, therefore a detailed analysis of each is necessary.

The project sponsor is represented by a person or group of people who provide the necessary resources for the project, to obtain it. Its role is to promote the project both in the closing stage and in the initiation stage, being from inside or outside the organization. He also participates in authorizing changes in the project, respectively, in the process of updating decisions.

Suppliers are those persons, often also called sellers, contractors, with whom the project team concludes certain contracts, to provide the resources/services necessary to carry out the activity characteristic of the project. Organizational departments are represented by those components of the internal environment of the organization that may be affected by the project (marketing department, human resources, finance, etc.).

The clients / beneficiaries are represented by the persons who approve in the closing phase the product / service / results of the project. They can be from inside or outside the organization that implemented the

project and can be divided into several levels, depending on the impact and the degree of importance.

In many industries as well as organizations, project management has become the model for strategy and new product / service development (Matos, Romao, Sarmento, & Abalades, 2019; Cicmil, & Hodgson, 2016; Gauthier & Ika, 2012). Each project is unique, with different attributes such as the complexity of the problem to be solved, as well as the strategic importance (Cassiman, Di Guardo, & Valentini, 2010; Afuah & Tucci, 2012). In order to understand the needs of stakeholders and to quickly solve the problems that arise without a negative impact on the project, it is necessary to maintain an effective communication relationship with each stakeholder throughout the execution of the project. The management of the stakeholders in the closing stage of the project, mainly refers to the comparison of the degree of satisfaction of their expectations, compared to those initially identified. If it is found that their wishes/needs/expectations have not been met and implicitly the results of the project have not been achieved, the project can be stopped.

4. Conclusions

The closing phase of the project has the role of evaluating the success of the project using the following criteria: the way in which the intermediate and final deadlines were met, as well as the way of using the allocated resources, the performance obtained. Improper use of a resource leads to risks that cause losses to the entire project. In the closing phase, each implemented project is analyzed through the prism of four elements: the activities carried out, results obtained compared to those initially planned, the resources invested, as well as its impact on direct and indirect beneficiaries.

For the successful completion of the project, the project stakeholders must be carefully identified and analyzed. Stakeholders include all persons and entities from the internal or external environment of the community in which the project is implemented. The process of identifying stakeholders consists in analyzing the information on the degree of influence of a stakeholder on the project, its interests, interdependencies, and possible links with other stakeholders.

The role of this analysis process carried out at the beginning of the project serves to allow the project manager to establish from the beginning the appropriate level of focus on each stakeholder, in the interest of implementing and closing the project with maximum results. Stakeholder

analysis is a process of qualitative research, to determine and analyze their roles in developing policies and methodologies related to the project. The more complex a project is, the more attention should be paid to stakeholders, as inefficient management of relations may lead to negatively affecting the implementation of the project and thus to its failure.

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