

Organisational change and stakeholder management

Project type: Cultural change

Location: Middle East

RICS/APM stakeholder principles: Communicate, Consult, early and often, Remember, they're only human, Plan it!, Relationships are key, Just part of managing risk

Stakeholder terms: Stakeholder expectations, cultural issues

Abstract

A case study on managing stakeholders in an overseas (Middle East) based project where management of change became an issue.

Background

A global aerospace and defence equipment manufacturer operates a business division as a defence equipment and training company to support a Middle Eastern Air force as its client. The air force of this Middle Eastern country has recently changed its contractual arrangement from a Firm Fixed Price (FFP) contract to a Performance Based Contract (PBC) for the education of new Air Force Cadets by the defence equipment and training company.

The issues

- Resistance to change - rebellious workforce
- Distinct lack of communication from management
- Failure to identify key stakeholders
- Language barriers
- Lack of cultural awareness/sensitivity
- Employee management – mandatory that all Middle Eastern employees take an IELTS test and wearing of company uniform as oppose to national dress

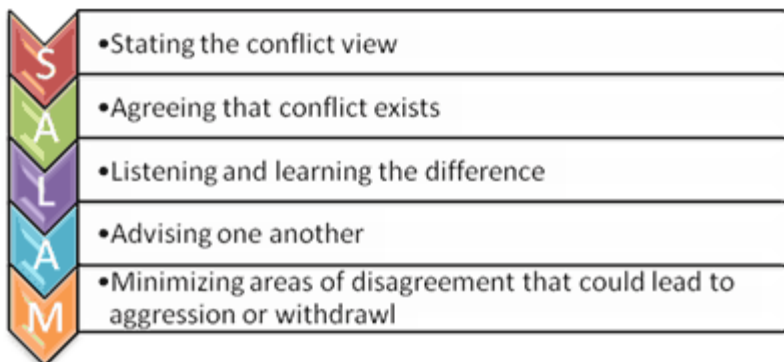
The challenges

- Improve employee involvement and engagement to build a collaborative culture
- Establish more effective two-way communication and improve current communication plans
- Improve stakeholder management plans
- Establish a cultural assessment program to encompass sensitive issues of role and responsibility change to avoid further obstacles that could impede the business strategy.
- Demonstrate a commitment to the training and personal development of staff to generate a higher perception of inclusion

The solution

- Enhanced stakeholder engagement, through the implementation of improved project management processes of stakeholder management and effective communication planning. This can be implemented through a four step process;

1. Enlighten – communicate , listen, respect
 2. Engage - workshops , surveys, participation
 3. Endow - training , development, commitment
 4. Enthuse – motivate , recognise, reward
- These steps will produce a broader range of stakeholder support into the process thus providing support for the project on a continuing basis
 - Initiate workshops and surveys within the organisation to create a better understanding of performance based contracting and introduce a feeling of participation in the project, rather than just being a passenger on the journey.
 - A lack of stakeholder understanding, especially when cultural issues are present can have serious consequences, by way of conflict, misinterpretation, miscommunication, frustration and dispute (Isah, Kirkham and Ling, 2010 p. 112), any of which could finally lead to project failure.
 - Conflict arising from disputes can be a positive force if managed correctly (Stevens 2002 p. 73-2), in order to do so a proactive process is required that allows for cultural sensitivity in dispute resolution. This provided the disagreeing parties with a forum within which to come to terms with their opponent’s point of view, thus reducing the area of conflict and providing a collaborative environment conducive to conflict resolution. The diagram below as described by Randaree and Faramawy (2011 p. 28), offers a proactive model using the acronym ‘SALAM’, which poetically translates as ‘peace’ from Arabic.



- Mandated national cultural awareness training for all management staff to enable them to better handle sensitive issues relating to work practices, language barriers and employee welfare.

References:

- RANDAREE, K. and EL FARAMAWY, A. T., 2011, Islamic perspectives on conflict management within project managed environments, *International Journal of Project Management*, 29(1), p. 26 – 32.
- STEVENS, M., ed., 2002, *Project Management Pathways*, GB: The Association for Project Management Limited.
- SURVEYMONKEY.COM, 2014. Rating Scale, [online] [available here](#).

The benefits

Introduction of these solutions will take time to be fully implemented however there continues to be tangible improvements in teaching standards by way of output results and through the achievement of KPI’s and contractual milestones.

Lines of communication are clear and effective at all levels within the organisation.

Some cultural issues remain unresolved but there is a mechanism to take them forward.

The learning points

- The organisation should investigate cross-cultural management methods, taking in to account the different cultural views represented by their home nation and that of the customer.
 - Collaboration and the co-creation of value is an area which would be of benefit for organisations undertaking these types of projects in order to fully exploit the opportunities presented by the implementation of a performance based contract. Arab cultures have by nature a high uncertainty avoidance value which often impacts the relationship between Western and Middle Eastern ventures. It is especially evident during contractual negotiations as Middle Eastern representatives find it difficult to engage fully and freely in co-creation discussions, hence the importance for organisations to seek to facilitate the co-creation of value as it can unlock new sources of competitive advantage whilst maximising customer satisfaction.
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This case study was written by the APM Stakeholder Engagement Focus Group.

- *For more information on the group or stakeholder engagement, [click here](#).*