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Evaluating Stakeholder's Claim Versus Influence: Assessing Technique Model

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***Abstract*-**This article is primitive for all researches, scholars, project managers, business owners and business administrators who are looking for simple definition and concise answer for the following two questions:

1. Who are my project's stakeholders?
2. How can I rank them according to their claim and influence on my project?

You do not have to be specialist in stakeholder analysis to answers those questions. This article is generalizing the idea for all projects and companies regardless of project type.

Keywords- *claim versus influence, stakeholder analysis, stakekeeper, stakewacher, stakeholder theory*

I. INTRODUCTION

An early stage indicator for a project failure is ignorance of some main project's stakeholders. Giving all stakeholders same attention priorities is costly, time consuming and in some cases leads to project failure. Since 1984 when R. Edward Freeman [1] came up with the Stakeholder Theory, the stakeholder theory is gaining more analysis and applied research, which gone beyond the definition of stakeholder as shareholder. The stakeholder theory more applicable to real world business administration and company strategic planning. Since then, stakeholders' definition, tools, priorities, influence analysis had many updates, amendments, arguments, scientific research and applications. One of which is this particular article, which is part of stakeholders' analysis for their claim and influence. Scholars did stakeholder's analysis from different aspects. For example, stakeholders' relationships integration within a company is suggested by [2] and [3].

This article is discussing an approach of evaluation criteria that gives each stakeholder a degree of claim and influence that reflects how much is that stakeholder important to the project and order them according to their degree of influence and priority. Prior to that, this article gives a brief background about stakeholders' definition, analysis and influence types.

II. DEFINING STAKEHOLDER

Stakeholder is a person, group or organization that has interest or concern in an organization [4]. Stakeholder can be defined simply as; a person or a group of persons has an influence on the project. Projects have always more than one stakeholder. Number of scientific and business articles have defined stakeholders in different aspect according to the subject or needs. One aspect is defining stakeholder according to direct internal and indirect external stakeholders [5]. Where the word stakeholders can be divided into three categories;

1. Real Stakeholder; Direct Claim; Stakeholder.
2. Stakewatcher; Indirect Claim; Pressure group.
3. Stakekeeper; No claim; Regulator.

In [5] a new definition is created using the same view of [6] but different type of categorizing by internal and external stakeholder influence as mentioned at the above three categories. The difficulty of defining stakeholder does not come from the definition itself but from setting clear stakeholder identification boundaries [7].

III. INFLUENCE AND CLAIM

Influence in this article means the amount of effect put on the quality of achieving goals and mission of a project by stakeholder. Influence can be:

- Internal or external
- Direct or indirect
- Negative or positive
- Controlled or controlling

In Table I, both references [5] and [6] are used to show types of influence from all types of stakeholders.

TABLE I. TYPES OF STAKEHOLDERS ACCORDING TO [5] & [6]

Mitchell 1997	***Stakeholder***	***Pressure Group***	***Regulator***
Control	Controlled	No Control	Controling
Influence Type	Internal	External	External
Claim	Direct Claim	Indirect Claim	No Claim
Fassin 2009	***Stakeholder***	***Stakewatcher***	***Stakekeeper***

The three main factors that can be used to evaluate the amount of stakeholder's influence on the project are:

1. The amount of control on the project or the company.
2. The type of influence, internal or external.
3. The amount of claim.

All other factors are subsidiary from those three main factors.

IV. DETERMINING PROJECT'S STAKEHOLDERS

Participation is not always the key for determining the most influence stakeholder. Both manger and CEO of any company are participating in operating the company but CEO has more influence in decision making than managers. On the other hand, daily task operations decisions are influenced more by direct managers than by CEO. Degree of participation has some indirect effect in decision's influence but has to be looked at wisely. To make the evaluation more realistic and applicable, it has to be done in three different stages for determining the key stockholders at any given time:

- Stage 1: Estimation. (Proposal Study Stage)
- Stage 2: Assessment. (Initiation Stage)
- Stage 3: Continuous Evaluation. (Operational Stage)

For each stage, different method is used to determine the key stakeholders. For each criterion, there will be an indicator to measure those criteria. Scientifically, that indicator is call KPI (Key Performance Indicator). It is strongly recommended to state and fix all criteria and stakeholders through all three stages.

The following legend is used to illustrate the KPI matrix in Table II;

S_i: is the i^{th} stakeholder's name.

C_j: is the j^{th} criterion.

K_{ij}: is KPI value given to the i^{th} stakeholder for the j^{th} criterion.

TABLE II. KPI MATRIX OF STAKEHOLDER VS CRITERIA

		criterion					
		C_1	C_2	⋯	C_j	⋯	C_m
stakeholder's Name	S_1	K_{11}	K_{12}	⋯	K_{1j}	⋯	K_{1m}
	S_2	K_{21}	K_{22}	⋯	K_{2j}	⋯	K_{2m}
	⋮	⋮	⋮	⋱	⋮	⋱	⋮
	S_i	K_{i1}	K_{i2}	⋯	K_{ij}	⋯	K_{im}
	⋮	⋮	⋮	⋱	⋮	⋱	⋮
	S_n	K_{n1}	K_{n2}	⋯	K_{nj}	⋯	K_{nm}

A. Stage 1: Estimation

Estimation is the initial forecasted evaluation for all stakeholders that may affect or affected by the project. In this stage, it is projected to scale from 1 to 5; where 1 is given to the stakeholder that has week effect and 5 has strong effect on the project regardless of the effect type positive or negative.

B. Stage 2: Assessment

Assessment is initial estimated evaluation for stakeholders based on project plan and its proposal report. Moreover, in this stage, an assessment of "as is situation" for the effect of stakeholder on the project. In assessment stage, it is projected to scale from 1 to 10; where 1 is given to the stakeholder that has very week effect and 10 has very strong effect on the project regardless of the effect type positive or negative.

C. Stage 3: Continuous Evaluation

Continuous evaluation is the real stakeholder's effect evaluation using data collection through routine tasks handling, auditing, surveys, etc. In this stage, it is projected to scale from 1 to 100; where 1 is given to the stakeholder that has no effect and 10 has extremely strong effect on the project regardless of the effect type positive or negative.

TABLE III. STAKEHOLDER'S EFFECT KPI SCALE

Stage		
#	**Name**	**Effect KPI Scale**
1	Estimation	1=Week Effect, 5= Strong Effect
2	Assessment	1=Very Week Effect, 10=Very Strong Effect
3	Evaluation	1= No Effect, 100= Extremely Strong Effect

V. STAKEHOLDERS ANALYSIS: RANKING BASED ON INFLUENCE AND CLAIM

The two main factors that project owners are giving more attention are influence and claim. However, to run a fair analysis of stakeholders ranking, we have to categorize the stakeholders into three main types as done by [5]. The following abbreviations are used:

- H: Holder: Stakeholder
- W: Watcher: Stakewatcher
- K: Keeper: Stakekeeper

If the three types of stakeholders are ranked based on their influence and claim then, 36 different outcome possibilities (case scenarios) are produced. For example, case scenario number 16 in Fig.1 is taken with zoom in from Fig. 2 is used for illustration as in Fig. 1.

Studying all possible outcomes of ranking is giving clear picture of how things in project could stay smooth or go wrong. Judging the best and right case scenario for any project depends on the project type regardless if it is profit or nonprofit, public or private, service or product, etc.

Case #	Type	Claim	Influence
16	Holder	2	2
	Watcher	1	3
	Keeper	3	1

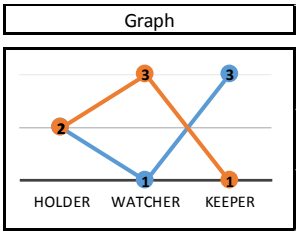

Figure 1. Case scenario number 16

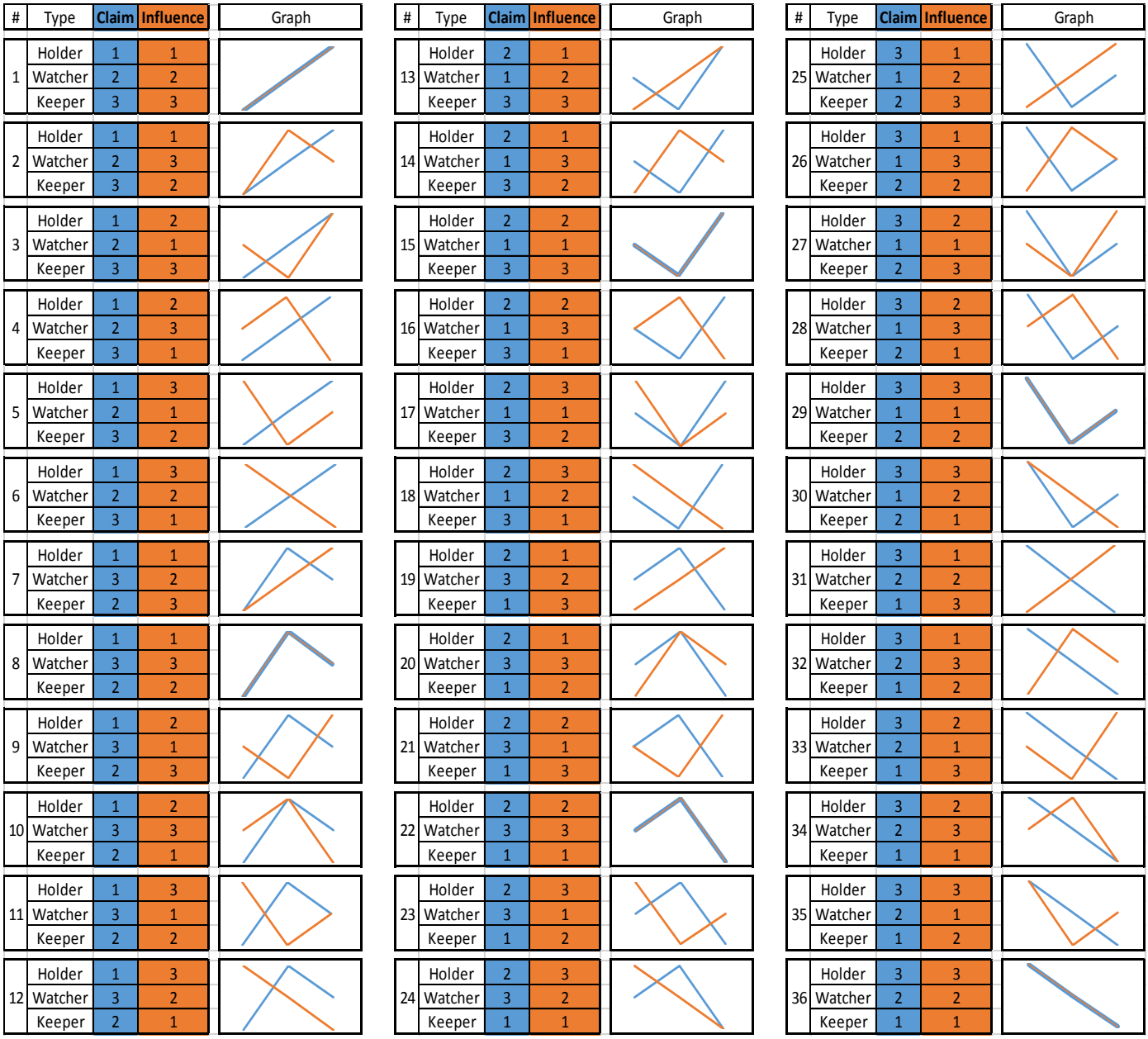

Figure 2. All possible outcomes (case scenarios) for stakeholder ranking based on claim and influnce

A. *General Case*

For all 36 case scenarios, general matrix tabulate, as shown in (tabulate) Table IV, is built for all type of projects and companies to have an overall picture of their stakeholders'' types and rank them based on claim and influence.

B. *Special Case example*

Project or company steering board can identify which project type is running. Based on that call from the steering board, initial estimation must be done to rank and determine the project's stakeholder types. As an example of a profit, private and product type project, (tabulate) Table V shows that the project steering board are setting goals to have their project stakeholders as this:

1) HWK for claim.

Which indicates that stakeholder, stakewatcher and stakekeeper has ***claim*** rank of 1,2 and 3 respectively.

2) HWK for influence.

Which indicates that stakeholder, stakewatcher and stakekeeper has ***influence*** rank of 1,2 and 3 respectively.

This is not the ideal situation for all times. In most cases, for stable companies, investors are looking for companies that are claimed by stakeholders and influenced by stakekeeper (regulators) without ignoring the effect of stakewachers. For that case, the ideal case scenario is case number 4 as in Fig. 3 and then case number 6. However, logically, case number 4 is more realistic and attractable for investors.

TABLE IV. TABULATE FOR GENERAL CASE: ALL PROJECT TYPES

Influence \ Claim	HWK	HKW	WHK	KHW	WKH	KWH
HWK	R_1 1	R_2 2	R_3 3	R_4 4	R_5 5	R_6 6
HKW	R_7 7	R_8 8	R_9 9	R_{10} 10	R_{11} 11	R_{12} 12
WHK	R_{13} 13	R_{14} 14	R_{15} 15	R_{16} 16	R_{17} 17	R_{18} 18
KHW	R_{19} 19	R_{20} 20	R_{21} 21	R_{22} 22	R_{23} 23	R_{24} 24
WKH	R_{25} 25	R_{26} 26	R_{27} 27	R_{28} 28	R_{29} 29	R_{30} 30
KWH	R_{31} 31	R_{32} 32	R_{33} 33	R_{34} 34	R_{35} 35	R_{36} 36

Ri: Rank for case scenario number i, where i = 1, 2, 3, …, 36

TABLE V. TABULATE FOR SPECIAL CASE: PROJECT TYPE: PROFIT, PRIVATE, PRODUCT

Influence \ Claim	HWK	HKW	WHK	KHW	WKH	KWH
HWK	1 1	2 2	5 3	9 4	14 5	23 6
HKW	3 7	4 8	7 9	12 10	18 11	25 12
WHK	6 13	8 14	11 15	16 16	21 17	29 18
KHW	10 19	13 20	17 21	20 22	27 23	31 24
WKH	15 25	19 26	22 27	28 28	33 29	34 30
KWH	24 31	26 32	30 33	32 34	35 35	36 36

Case #	Type	Claim	Influence
4	Holder	1	2
	Watcher	2	3
	Keeper	3	1

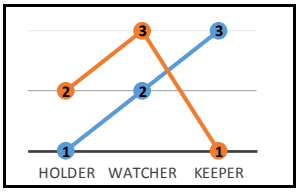

Figure 3. Case scenario number 4

VI. CONCLUSION

Stakeholder theory has been adapted in many stakeholders' analysis studies since it was published on 1984. This article is easy and primitive for engineers and project managers who are trying to know their stakeholders and rank them based on claim and influence. It gives a clear view about stakeholder's definition and boundaries. Moreover, it categorizes stakeholders based on old studies and field experiences. The new added technique is by defining project's stakeholders based four factors; project stage, stakeholder type, claim and influence. The analysis shows all possible outcomes for stakeholders ranking based on stakeholder type, claim and influence.

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