

Value-oriented stakeholder influence on infrastructure projects



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KEYWORDS

- Infrastructure project
- Project stakeholder
- Project value

Article highlight:

This empirical study focusses on the ways that stakeholders of public infrastructure projects pursue influence on projects through their expectations of project value.

What does the paper cover?

The authors research stakeholders' attempts to influence infrastructure projects and how this is driven by stakeholders' expectations of project value. This is a multiple case study of the implementation phase of three large Finnish transport infrastructure projects.

Methodology:

Literature review

A literature review categorises recent studies on infrastructure projects:

1. **project value in infrastructure projects** – stakeholders' assessments of value are central to how they voice their interests and intentions, but the connection of stakeholder influence to project value needs to be better understood
2. **public value in infrastructure projects** – most of the research on public values focusses on the actions and viewpoints of the owner or the focal company and not on the viewpoints of other stakeholder groups

- 3. stakeholder influence strategies in projects** – stakeholders seek to influence projects in different ways. However, the reasons behind stakeholders' influence efforts are less well understood.

This leads to the development of two research questions related to the implementation phase of infrastructure projects:

- 1.** What kinds of influence strategies do stakeholders use in infrastructure projects to achieve their goals?
- 2.** How do stakeholders' expectations and requirements for project value drive their attempts to influence?

Research design

This is a multiple case study. A process research method is followed so that emergence of issues over time and patterns of events leading to their outcomes can be studied. Three transport infrastructure projects from Finland are selected for investigation: a railway, a subway and a road tunnel case study. These are illustrative examples of large transport infrastructure projects.

Data collection

The primary research data are newspaper articles covering the whole implementation phases of all three case projects. To mitigate the limitations of newspaper articles, publicly available project documentation is used for triangulation.

Data analysis

A qualitative event-oriented approach to data analysis is followed. The stakeholders' influence efforts are coded as 'events.' Coding focusses on three main aspects: active stakeholders, the influence strategies used by stakeholders, and the project value dimensions driving the influence strategies.

Research findings:

Stakeholder influence strategies

Four influence strategies are identified:

- 1.** communicating
- 2.** complaining and resolving disputes
- 3.** setting rules and supervising the project
- 4.** using decision-making authority.

All four types of influence strategies appear in all projects but in different ways. The stakeholders have access to and use different influence strategies to exert their influence on the infrastructure projects.

Value-oriented stakeholder influence

Expected project value drives stakeholders to exert their influence on the projects in different ways (i.e. through different influence strategies). Three dimensions of project value are identified:

- 1.** environmental and social value
- 2.** financial value
- 3.** systemic value (i.e. the linkages between the project with other projects, other infrastructures and the broader surroundings).

Different stakeholder influence strategies are used for stakeholder influence efforts driven by different project value dimensions.

Conclusions:

This study demonstrates how stakeholders influence large transport infrastructure projects and how those influence efforts are driven by the stakeholders' expectations of project value.

Types of stakeholder influence strategies

- Stakeholders utilize four kinds of influence strategies. Communicating and complaining and resolving disputes have been documented in previous private-sector construction projects but setting rules and supervising the project and using decision-making authority seem to be more specific to public infrastructure projects.
- Different stakeholder groups have access to and primarily use different influence strategies. These may require specific response strategies from the project.
- Stakeholders' influencing efforts over the project life cycle are potentially interconnected and can escalate – this needs further research.

Project value driving the stakeholder influence strategies

- Previous studies have not explained why a stakeholder exerts influence on a project in a specific way. A key contribution of this study reveals that stakeholders differentiate their influence strategies based on value dimensions.
- Environmental and social value and financial value specifically appear in these transport infrastructure projects. The less-discussed dimension of 'systemic value' portrays the transport projects in tight connection with the broader pursuit of public infrastructure development, for example as a portfolio of projects.

Significance of the research:

For project managers: Major projects, such as transport infrastructure projects, involve various stakeholders. These findings demonstrate how stakeholders pursue influence on infrastructure projects, driven by their expectations of project value. Project managers should consider these expectations when designing, planning and implementing infrastructure projects. In addition, project managers should design different responses for different stakeholder influence strategies.

For researchers: The earlier literature has discussed various influence strategies but put less focus on the reasons behind the influence efforts. This study proposes the concept of project value as the driver of stakeholders' influence efforts.

Comments from the authors:

The viewpoint of project value is receiving increased attention. In particular, recent literature has studied the creation of value throughout the project lifecycle, from the early front-end phase to the operations phase. The versatility of stakeholders' value priorities continues to be important, and we think the evolution and negotiation of such priorities throughout the project lifecycle is worth investigating.

Some major transport infrastructure projects have been designed or implemented in Finland since this study. Similar to the three projects in this article, these ongoing projects reveal conflicting expectations, parallel and competing public sector investment plans, and stakeholders' efforts to affect the projects. This highlights the importance of the value creation viewpoint and encourages further research.

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Complete article

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Glossary:

Project stakeholder:	Any group or individual who can affect or is affected by the project.
Project value:	The quotient of benefits/costs, where value is not absolute, but relative, and may be viewed differently by different parties in differing situations.



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