

Stakeholder management strategies during construction project work

Article

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Abstract

This paper engages with stakeholder management practices from the building phase of hospital construction projects to analyse the methods employed by contractor and client in a construction project context. A series of vignettes illustrating stakeholder management practices in action are combined with the insights of a Client Relations Manager with direct responsibility for stakeholder management affairs. The paper provides practical guidance for practitioners and explores how stakeholder management issues revolve around the *emerging event*, with a supporting apparatus to facilitate communication and collaboration being critical to stakeholder interests and concerns being addressed. The insights are valuable for multiple health facility contexts where obtaining and maintaining stakeholder support is important.

Keywords: stakeholder management; construction projects; hospitals; emerging events

Introduction

Effective stakeholder management continues to be promoted as an important concept underlying project management success (e.g. APM, 2006; PMI, 2008). However, there are often persisting uncertainties concerning what stakeholder management strategies, methods and approaches to employ to ensure project success. Indeed, since the initial work of Freeman (1984), the stakeholder management literature has been characterized by contrasts between theoretical abstractions and more empirically grounded research that endeavours to offer practical guidance and advice (Parmar et al., 2010). Striking the correct balance

between theoretical enquiry and the giving of practical advice has never been simple or straightforward.

This paper contributes to the stakeholder management discourse by providing a detailed account of stakeholder management work from the construction phase of hospital projects, a period when building work is most visible, audible and disruptive to a hospital. It explores how effective stakeholder management work is built upon a planned strategy able to react to emerging events and questions the utility of prescriptive analytical tools in light of the empirical findings. The importance of having a supportive apparatus to facilitate communication and collaboration is noted as the insights of a Client Relations Manager are combined with a series of vignettes to reveal the realities of stakeholder management work occurring and what techniques are employed. The combination of evidence illuminates how effective stakeholder management is achieved in building phase operations of hospital construction projects.

Research Method

A 4 year study of NHS hospital construction projects in the UK set out to understand stakeholder management practices and how diverse interests were managed through the course of a construction project; hospitals providing fertile contexts from which to investigate stakeholder management issues (Prasad, 2008). A series of 21 semi-structured interviews were conducted with hospital client representatives and design and construction professionals; a Client Relations Manager providing further detailed insights into stakeholder management work in the building phase. Before proceeding, the paper now examines the hospital construction project context within which the insights are contextualized.

Hospitals and stakeholder management

“Stakeholder management refers to the activity of identifying, analysing and influencing, and as far as possible meeting, the expectations of stakeholders and their particular interests and needs.” (Morris, 2013, 203)

Stakeholder management is an ever-present reality for a functional, operational hospital, but a construction project imposes new and demanding stakeholder management requirements on the hospital organisation, as noted by an interviewee,

“Major construction projects are completely foreign to the day to day work of a hospital. The primary core business of any hospital is to provide patient care. They don’t normally have in-house capacity to take on major construction projects, so things like stakeholder management are quite new processes.” (NHS Project Manager)

In effect, a hospital needs to manage construction project activity in addition to its` routine healthcare duties, putting added pressure on the organisation in stakeholder management terms; hospitals having diverse stakeholder interests on both the client (e.g. clinicians; patients; visitors; community groups) and construction (e.g. engineers; architects; designers; medical planners) side. The appointment of consultants, contractors and subcontractors also creates a temporary multi-organizational entity, complicating stakeholder issues considerably. Typically, a hospital appoints an internal project team consisting of professional experts (e.g. technical; financial; legal advisors) to support and guide the commissioning client. The inexperience of hospital staff with construction work and their diverse interests can make communication within the hospital client itself challenging. Stakeholders are usually managed following a pre-formulated process of engagement:

“Within a department you may have 50 clinicians & nurses and they will feed back to their team...so we get groups of people representing different departments...So hospitals tend to set up these groups.” (Design Director)

Delegated individuals are often appointed to represent stakeholder groups in meetings with design and construction teams. The importance of stakeholder engagement in hospital construction project contexts has been noted by Prasad (2008), who states,

“Stakeholder consultation should mean true participation of key people in briefing and design. The people who will be relying on the building to deliver their services possess precious knowledge and unique insight that will immensely benefit the quality of the design.”
(p.5)

In a hospital context, there are stakeholders on the commissioning client and design and construction team side that need to be managed and this can be challenging in a temporally and organisationally constrained context, which construction projects invariably are (Winch, 2010). It is also important to recognize that construction projects are traditionally divided into distinct phases of activity that together constitute a lifecycle (i.e. planning; design; construction; refurbishment; demolition); these phases being distinctly different in terms of practices, processes and relations between organisational parties. Such differences have an impact upon stakeholder management practices, approaches and realities. For example, in the design phase, communicative interchanges between project parties and how information is presented to an audience is critical to stakeholder management affairs (Collinge and Harty, 2014). As an interviewee related,

“There was a lot of talking in the briefing stage and meetings were very high level. But once construction begins, you need a daily link. For example, whilst doing wall demolitions, I was dealing with the facilities managers of the building every day.” (Client Relations Manager)

Once physical construction work begins, the realities of stakeholder management work changes significantly as the vignettes of practice explore in detail.

The need to assess stakeholder attitudes towards a project has led to prescriptive approaches to stakeholder management work and the development of tools such as the stakeholder power/interest matrix (e.g. Newcombe, 2003; Olander, 2007; Winch, 2010). Prescriptive approaches emphasize the role of a project manager in making accurate, objective judgements about project issues and stakeholder thinking. However, in the construction project management domain, it has been noted (e.g. Bourne and Weaver, 2010; Collinge, 2012) that the mapping of stakeholder “power” and “interest” is problematic if a project manager is poorly qualified to judge a stakeholder entity in such terms. Additionally, concepts of “power” and “interest” are often inadequately explained enough. Such potential credibility gaps has raised questions over what tools and methods to employ to guarantee effective stakeholder management on a project.

Vignettes of practice

The following vignettes provide tangible evidence of stakeholder management practices during building phase interactions. The insights are followed by a review of the tools contributing to an effective stakeholder management approach and a discussion that analyses the empirical findings to focus on the significance of the *emerging event* in construction project work.

Construction of a new fire escape

The construction of a new fire escape onto an existing hospital wing necessitated openings to be made through the stone and brickwork on 7 separate floors of an operational medical facility. Stakeholders directly affected by this task included patients, clinicians, nurses, facilities management staff and hospital visitors. The implications were considerable as construction work was to occur only metres away from sick patients in their beds, there being an impact in terms of noise, dust and disruption. To minimize disruption, the construction

team assigned a long-lead in time to allow adequate communication and planning procedures to be established, as the Client Relations Manager related,

“These buildings were still occupied, so some people had to be moved out of existing buildings and into other ones. We couldn’t just knock it down and build it.”

The construction team communicated closely with affected staff of each floor, agreeing a 10 week programme of works and agreeing appropriate times for construction activity to occur (i.e. during meal times; during doctors rounds). A sequencing programme of activity was agreed, with staff expectation management being integral to the work programme for each hospital area. The Client Relations Manager noted,

“My role was the communication link between the construction team and the hospital, so they knew what we were doing and when. They asked questions about noise, vibrations, service disruption...Those kind of things.”

Clearly, understanding the effect of construction activity on hospital services was an important principle driving forward stakeholder management work. Prior to work commencing, visits were made to reinforce the impact of the impending work and to agree what steps had been taken to minimize disruption. These included the requirement for contractors to use existing fire escapes to minimize movement through wards; that work should be executed externally whenever possible and that contractors should announce their presence when access to clinical areas was required. Additional measures included the wearing of overshoes to stop dust transmission, the use of partitions in wards and the regular monitoring of work areas through daily visits. Following completion of the fire escape, several subsequent visits ensured hospital staff were satisfied with the work done. These extra communications contributed to an effective stakeholder management strategy as the Client Relations Manager elaborated,

“I think people can be suspicious of construction companies. And they were suspicious to begin with, but once we proved we were considerate, they warmed to us. So you have to prove yourself and try to see things from their perspective.”

Empathizing with the needs of stakeholders and co-operating with hospital staff through close collaboration contributed to an effective stakeholder management strategy.

Construction of a waiting room and external renal unit ramp

To create a new waiting room for an existing Renal Unit, a new mezzanine floor had to be constructed. Construction work needed to be executed during operational hours, so close liaison with the Unit's manager and staff was essential for the construction team from the beginning. An NHS Design Development Manager expressed her initial concerns with the work,

“The prospect of major structural change to the operational unit caused us great concern regarding noise, dust and the presence of workers in a clinical area. But the contractors were unfailingly courteous, flexible and kept us well informed as to when works were happening. Communication were clear and they answered our concerns to the best of their abilities. The work had a minimal impact which was remarkable.”

A long lead in period was established with a sequence of works being explained to hospital staff along with anticipated noise levels and disruptions. Staff concerns were discussed openly (such as dialysis treatment times) as agreement was reached between parties for work to occur over 12 weeks with 2 distinct work projects being executed simultaneously: the mezzanine floor and external ramp construction for wheelchair and bed access to the Unit. To mitigate dust dispersal, windows to one side of the unit were sealed shut and to protect patient privacy, mirror film was placed on the windows so that contractors could not see patients. To minimize intrusion, a large partition was created with work being executed

behind it so there was no interface between contractors and patients. During construction, the weather became hot and uncomfortable for patients, so fans were supplied to patients while the windows remained closed. These small measures made a difference in stakeholder management terms. The attention to detail led to a good relationship with the ward manager and the staff working within the Unit. The Client Relations Manager explained how stakeholder management work very much depends upon the construction work task at hand, “Sometimes you will be busier than others and it is dependent on what work is happening. If there is a lot of impact on the hospital, there will be more meetings. Meetings can be fortnightly or weekly if something critical is happening...If only senior staff know about an issue, they should disseminate the information down to their team. But we try to cover all communication channels.”

A variety of client relations tools were used to assist stakeholder management work during this construction task (e.g. notices; hand-outs; comments cards). These are discussed separately following the empirical insights.

Secondary glazing

The installation of secondary glazing across two hospital wings containing live clinical areas was a bigger project task in terms of size. Each hospital wing was 5 floors in height, containing a multiplicity of patient rooms, medical services and staff educational areas. This project required the transportation of construction equipment and materials to the hospital site on large trucks, with consequent effects for services and transportation links. The Client Relations Manager explained what she did in stakeholder management terms,

“Our priority was to ensure the community knew the road would be busier with our construction traffic, so I walked around and took a list of all the businesses and residents and did 120 letter drops informing them of the upcoming work.”

A neighbouring investment bank required clarification of how potential construction vibrations might affect their trading room systems in the basement of their building. The construction team followed the enquiry up and met directly with the business,

“We knew the construction of their building from their building files, which they provided to us, but our experience told us they would not be effected and we didn’t have any complaints from them. And their project manager remarked that he wished they had been as considerate when they had been constructing their bank.”

To mitigate dust contagion from construction activity across all occupied space overlooking the site, a detailed programme of works was produced in consultation with hospital staff and revisited several times over. Beds and equipment requiring relocation were identified in advance, thus minimising disruption to staff, patients and services. Extensive visits were also made to inform staff of the work to be done; each area needing a minimum of 3 visits to complete measuring, fitting and installation of the secondary glazing. Dialogue between parties was critical at every stage, but decreased as the work was completed,

“To a certain extent the communication is influenced by the work that is happening on the site. Communication tails off when construction work stops because we are not having the same impact, but it is important to keep lines of communication open.” (Client Relations Manager)

Construction supervisors overseeing works built up excellent relationships with hospital staff, facilitating quick and efficient execution of tasks, with minimal disruption to the areas concerned,

“We had regular meetings with staff to make sure we were not affecting them. It helped that they could see the work going on and they found it really interesting. And it helps if people

can hear a noise and they are able to see what is happening. It stops people complaining because they can see.”

The installation of secondary glazing provides further evidence of the value of regular communication with the hospital stakeholders and how understanding issues from the stakeholder perspective had positive results.

Client Relations Tools

Stakeholder management work was assisted through the use of various client relations tools by the construction team working in the hospital. These tools opened up communications with the client, smoothed relations between parties and facilitated dialogue and discussion. They were integral to an effective stakeholder management strategy being achieved and are detailed in Table 1.

[insert Table 1]

The following discussion examines the empirical findings further, relating the practically useful insights to the existing stakeholder management literature and querying the use of prescriptive tools in the process. It also explores further the significance of the *emerging event* in construction project work.

Discussion

The vignettes clarified the interactions and processes leading to effective stakeholder management in construction phase activities. Although very specific and fine-grained in detail, such focused accounts have been advocated as necessary to advance stakeholder management scholarship (c.f. Trevino & Weaver, 1999; Collinge, 2012), providing

practitioners with recommendations to improve practice whilst opening up the existing literature to critique.

The findings support the contention that precise stakeholder management practices cannot be planned at the beginning of a project course (Andersen, 2008), but rather emerge as day-to-day activities as construction work happens. As a result, response strategies need to be flexible enough to adapt to stakeholder demands arising from building activity. In the vignettes, adequate resources were allocated to stakeholder work by both client and contractor, facilitating effective stakeholder management work to happen. The appointment of a Client Relations manager had financial implications for the construction contractor, but so important was stakeholder management viewed on the project, that the investment was deemed critical: construction work being executed in a live, fully functional hospital with stakeholders all around. The Client Relations Manager role provided a consistent line of communication between the contractor, subcontractor and hospital client. In this respect, the findings contest the idea that a Project Manager performs stakeholder management work; in a fully functional hospital stakeholder management issues are too significant to be allocated to a Project Manager who is likely occupied with other duties.

In the vignettes, stakeholder management was directly related to activities occurring in the buildings undergoing refurbishment: a collaborative approach having real benefits as did recurring use of the same communication channels and contacts. The vignettes reveal that stakeholder management can be achieved by having a planned strategy in place with a supporting apparatus able to react to emerging stakeholder concerns and events; the intricacies of stakeholder management work being dealt with on a case by case basis for each separate task.

Whereas issues of interpretation and understanding are important in the planning and design phase of a hospital construction project (c.f. Collinge & Harty, 2014), stakeholder management becomes more interactive and direct when building activities begin: the diverse and unique needs of stakeholders in the hospital environment needing to be addressed separately (i.e. the screening of patients; the provision of fans; the moving of patients). In this respect, the paper illustrates the value of a practice based view of stakeholder management that informs practice and opens up events to critique. It reinforces the importance of ensuring stakeholder management learning is tethered to real events occurring in construction project contexts. The empirical data provides no evidence for the proactive use of tools such as the stakeholder management matrix by the client or contractor, often promoted in the stakeholder management literature (e.g. Newcombe, 2003; Winch 2010). Whilst there is an understandable desire to provide practitioners with effective tools to assist them in their work, the complexity of addressing stakeholder needs during actual construction project work (as illustrated by the paper) needs to be acknowledged.

The vignettes highlighted how stakeholder management events *emerged* from the building activities occurring in the hospital; the setting up of a supportive apparatus facilitating communication and collaboration being instrumental for preventing problems occurring when construction work began. In each of the vignettes, stakeholder concerns crystallized around certain building activities; particular construction events providing a fulcrum around which stakeholder interests revolved.

Summary

The paper examined stakeholder management work interactions from the construction phase of hospital projects in the UK. It detailed how effective stakeholder management work can be achieved by having a supporting apparatus in place to facilitate communication and

collaboration between parties; a planned strategy enabling any emerging events to be pre-empted and managed. Although both project owner and construction contractors share a common goal to manage stakeholders, the onus is upon all parties to set-up a supportive apparatus to ensure this happens, and there may be financial implications in this (e.g. the appointment of a Client Relations Manager). The practice-based findings also question the utility of normative tools removed from the realities of construction work; the identification of the emerging event highlighting the dynamic nature of meeting stakeholder concerns during building work in an occupied medical facility.

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<i>Client Relation Tool</i>	<i>Description</i>
Monthly meetings	Regular meetings between client and contractor facilitated communication, with progress photos, descriptions of work done and upcoming activities being discussed.
Look ahead programme	A Look Ahead programme predicted and pre-empted high impact stakeholder management work. the frequency of meetings depending upon scale of work being undertaken.
Behaviour expectation cards	“Behaviour Expectations” were issued to contractors working on site, reinforcing the standards expected of site workers (e.g. use of designated access routes; courtesy towards staff; importance of patient privacy; good housekeeping).
Complaints/queries database	Complaints/queries about construction activity from stakeholders were logged into a database; a project helpline and website being set-up for communication.
Contact photo sheet	Photos and contact details of construction personnel were displayed within the hospital.
Notification of Works bulletin	A Notification of Works Bulletin was circulated for each project impacting the hospital. It was displayed on staff notice boards and the construction website.
Handouts & comment cards	Given to visitors by hospital security and road staff.

Table 1: client relations tools