Megaproject case studies: a stakeholder management perspective

Agnese Travaglini*
Department of Management, Economics and Industrial Engineering
Politecnico di Milano
Milano, Italy
agnese.travaglini@polimi.it

Ivana Burcar Dunović
Faculty of Civil Engineering
University of Zagreb
Zagreb, Croatia
Mauro Mancini
Department of Management, Economics and Industrial Engineering
Politecnico di Milano
Milano, Italy

Abstract— Megaprojects are projects characterized by significant investments attracting a high level of public attention or political interest because of substantial direct and indirect impacts on community, environment and budgets[1]. They are usually characterized by high technical, organizational and managerial complexity and involve a huge number of stakeholders with different interests [2]. The latter is one of the major challenge in megaproject management due to the complexity of stakeholders’ interrelationships and different interests. This paper presents an analysis on 20 megaproject case studies belonging to different sectors, such as the energy, the transports and public services. The purpose is to gather useful insights from the practice in order to understand better how to manage internal and external stakeholders in megaprojects.

Keywords— Megaproject; stakeholder; project management; case study

I. INTRODUCTION

Megaprojects are extremely large-scale investment projects typically costing more than € 0,5 Billion [3]. They typically last for many years, involving multiple public and private stakeholders and impacting millions of people. Examples of megaprojects are power plant projects (conventional, nuclear or renewable), oil and gas extraction and processing projects, transport projects and even cultural events, such as the Olympics Games. Megaprojects are complex because they have long life cycles, coping with unpredictable variations of time, cost and scope, with substantial irreversible commitments, high probabilities of failure and skewed reward structure [4].

Megaprojects are not just magnified versions of smaller projects, but they are a completely different breed of project in terms of their level of aspiration, lead times, complexity and stakeholder involvement. In fact, it is their scale and their extreme complexity in both technical and in human terms that distinguishes megaprojects from traditional projects [5][6]. These project-based alliances constitute hybrid organizations that combine features of conventional hierarchical management with those of networks [6]. In addition, megaprojects are characterized by a high degree of uncertainty, due to a mixture of joint organizations and sub-contractors which increases the level of their complexity [5][7]. Flyvbjerg highlighted, what he called, a megaproject paradox: the growth of megaprojects continues despite the poor performance record of many of these projects [6]. Merrow showed that more than half (65% out of the 318 analysed) of megaprojects can be considered a failure and this consideration is even worst for the oil and gas sector [8]. Therefore, there is a huge scope for the study, development of guidelines and application of framework specific to megaprojects.

II. BACKGROUND

Project success is one of the most investigated areas in the project management research, but also the least agreed upon. This is due to different project stakeholders’ perception on project success evaluation [9]. There are two components of project success: success criteria, the dependent variable by which the successful outcome of the project is judged, and the success factors, the independent variables that influence the successful achievement of the success criteria [10]. Baccarini identified some common project success characteristics [11]:
• Hard (e.g. time, cost, quality and benefits) and soft dimensions (e.g. job satisfaction, reputation and happiness), where reaching a consensus for the latter is more difficult because more subjective;
• Perceived success of the project depending on particular stakeholder’s needs;
• Prioritizations of success criteria;
• Success is not always manageable by project managers leverages, and it might be partial (neither a complete success or a failure).

Stakeholders have huge influence in determining both project success criteria and their prioritization. The relation between stakeholders and their impact on project success is crucial. The Megaproject COST Action group proposed a model in which stakeholders are in the centre of three level sets: collective, individual and environmental level; the proper management of stakeholders at this three levels has a positive affection on project success [12]. Coherently, as Wateridge stated, for a project to be successful, an agreement on the success criteria with all the key stakeholders need to be reached before starting, in order to make them having the same vision of a project endpoint, applying the same success factors and having small differences in success criteria interpretations [13].

Management stakeholder in megaproject is not as in other kinds of project. The main differences are related to their quantity and complexity. Moreover, referring to Mitchell framework of power, legitimacy and urgency [14], Sohal showed how the failure effectively to acknowledge or coordinate the influence of stakeholders can led to a budget overrun over 300% and a completion time over a decade for a megaproject [15]. Eweje, et al. identified megaproject stakeholder management as one of the biggest challenges of Megaproject execution. Turner, in fact, argued that the clearness of the strategic goals of project sponsors and stakeholders, and their link, is key to project success [2].

Stakeholders can be defined as anybody – individual, group or organization – who has an interest in the project, its work, output, outcomes or ultimate goals. Stakeholder management is, in fact, the process of identifying, plan, manage and control the engagement of stakeholders by influencing their expectations of gain resulting appropriately from their investment. In particular, Turner identified the following stakeholder management process: identification of stakeholders and their interests, prediction of their response, development of a strategy for each of them, communication with them monitoring of their satisfaction and internal and external changes. All these phases make the project result increased in success rate [10]. During the stakeholder management process, different stakeholders’ attributes are assessed, quantitatively or qualitatively, for their ranking.

Stakeholders are commonly classified by a wide range of attributes, such as interest, attitude, influence, impact, power, urgency, risk and satisfaction [14] [16].
• **Interest** can be defined as the willingness to engage to the project. Stakeholders may have an interest in a project for numerous reasons such as mission relevance, economic interest, legal right, political support, health and safety, lifestyle, opportunism and survival. Hence, it can be said that interest is an important driver of the stakeholder–project relationship [17].
• **Attitude** refers to whether a stakeholder supports or opposes the project [16]. Stakeholders may have negative or positive impacts on projects, so it is important for managers to determine whether they are objectors or supporters and where do they fit this scale [17]. A negative attitude to a project by stakeholders likely causes conflicts and controversies that might reflect into cost and time overruns.
• **Power** is a particular relationship among social actors in which one social actor can get another social actor to do something that the latter would not otherwise have done [14].
• **Urgency** is the degree to which a stakeholder claims call for immediate attention.
• **Risk** intended as the perception to properly manage uncertainty through contracts among stakeholders.
• **Influence** is the level of involvement a stakeholder has, and it is related to the power that a stakeholder has over a project to control decisions, facilitate their implementation, or exert influence that affects the project negatively. It is about the extent to which the stakeholder is able to persuade or coerce others into making decisions and following certain course of action [19] [20].
• **Impact** is due to the combination of different attributes, i.e. power level, urgency level, legitimacy level, knowledge level and proximity degree.
• **Satisfaction** is a stakeholder fulfilment in a project according to their ideas, visions and expectations. This variable could be either positive or negative.

Based also on Megaproject COST Action’s reports [12][15][21][22] and on the literature [23][24][25], the authors set four research questions. Still the research on megaproject management from a stakeholder perspective is poor and not enough
assessed both from the academic and the industrial community. The aim of the research work is to find answers from the practice in order to provide useful insights and future research proposals to the scientific community.

The research questions are the following:

i. Which stakeholder is the main sponsor in the majority of European megaprojects?
ii. Which is the stakeholder that results to be the most connected with megaproject power?
iii. Which is the stakeholder that results to be the one with the highest influence on megaproject performances?
iv. Which is the least, and which is the most, satisfied stakeholders in regards to megaproject outcomes?

### III. METHODOLOGICAL APPROACH

The sources of data for this research are the 20 case studies of the Megaproject Portfolio authored by the Megaproject COST Action group, to whom the authors are part of [22]. The cases selected for the Megaproject Portfolio follow a purposive sampling approach and cover both exemplar and extreme case typologies [26]. The main data for this research work are gathered only for a minimum part (3 out of 20) by at least one of the author of this paper, so on overall, it will be considered a secondary data analysis. Secondary analysis of qualitative data is the use of existing data to find answers to research questions that differ from the questions asked in the original research. Long-Sutehall, et al. identified many reasons why an author could decide to apply secondary analysis to data, among which the one chosen for this paper: performing additional analysis of an original dataset. They also recommend that the research questions for the secondary analysis should be sufficiently close to the ones of the primary research [27]. In this case, the purpose of the primary research was to conduct a ‘meta’ cross-case analysis of groups of megaprojects delivered within Europe and to identify common thematic issues relating to megaproject design and delivery from across the disciplinary spectrum. The purpose of the presented research is to look at the case studies from one single perspective in order to gather all the relevant insights for stakeholder management in megaprojects.

There are two possible ways to generate theory based on case studies: the deductive or inductive approach. The first one refers to the deduction of particular instances from general inferences and it entails the development of a conceptual and theoretical structure that is then tested by observation. The latter approach refers to the induction of general inferences from particular instances or the development of a theory from the observation of empirical reality. Due to the deep gap of specific studies in the literature on stakeholders’ classification and assessment in megaproject, the inductive approach was the most suitable choice. It was not possible to generate any particular instance from the existing literature, to be then tested or validated through the case studies.

The methodology used consists of the generation of specific outputs about Megaproject stakeholder management. This process can be done following two possible dimensions: horizontal, looking at the same kind of information in all the case studies, and vertical, looking deeply into each case study to understand whether all the information required can be found and/or further information are present. Only the horizontal dimension is mainly taken into account for this process due to the high level of standardization on the primary data. Table 1 shows the research questions and the related kind of information looked for, in each case study of the Megaproject Portfolio. Each of the findings is then validated through the search for contradictory data.

<table>
<thead>
<tr>
<th>RESEARCH QUESTIONS</th>
<th>DATA REQUIRED (stakeholder management attribute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Which stakeholder is the main sponsor in the majority of European Megaprojects?</td>
<td>Attitude towards the project; influence on the project</td>
</tr>
<tr>
<td>ii. Which is the stakeholder that results to be the most connected with megaproject power?</td>
<td>Project power</td>
</tr>
<tr>
<td>iii. Which is the stakeholder that results to be the one with the highest influence on megaproject performances?</td>
<td>Influence on performance (time); influence on performance (budget); influence on project goals</td>
</tr>
<tr>
<td>iv. Which is the least, and which is the most, satisfied stakeholders in regards to megaproject outcomes?</td>
<td>Satisfaction in respect to project outcome and impact</td>
</tr>
</tbody>
</table>

The chosen methodological approach can be seen as a meta-analysis, which is a methodology used by researchers to review, assimilate and compare large amount of existing data for multiple studies. It transforms data from these multiple studies into a common measure and adopts a standard statistical procedure. They are traditionally used for quantitative studies but can be adapted to qualitative ones. The fact that the Megaproject Portfolio case studies are done by people belonging to one specific group – Megaproject COST Action – makes the primary data standardized and so simplifies the meta-analysis [28][29]. To the data in the case studies it is applied a coding strategy, defined as the process of breaking...
down, examining, comparing, conceptualize and categorizing data (codes are elements and patterns a researcher looks for across different sources) [28].

Each Megaproject Portfolio case study is structured in the following way:

- **Basic Project Information**: project title, location, purpose, scope, total project value, project status, contractual framework and relevant physical dimensions;
- **Megaproject stakeholder**: identification of both internal and external stakeholders, as classified in Table 2, stakeholder relationship maps and external stakeholder attitude analysis.
- **Megaproject Project Management**: project organization, project tools and techniques, project processes;
- **Megaproject Project Performance**: aspects of performance concerned with doing the project right;
- **Megaproject Project Environment**: legal and regulatory environment, political environment, economic environment;
- **Megaproject Project Key Events and Activities**.

As mentioned above, the standardization of this primary data let the meta-analysis simpler due to the higher quality and rigorosity of the possible analysis.

Moreover, for 6 of the Megaproject Portfolio case studies a further data gathering activity has been developed specifically on stakeholders, both internal and external, and it is structured in the following way:

- **General stakeholder management**: information about the project;
- **Stakeholder analysis**: attributes and variables for each stakeholder.

**TABLE 2 – MEGAPROJECT STAKEHOLDER IDENTIFICATION [22]**

<table>
<thead>
<tr>
<th>Internal</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Side</td>
<td>Client</td>
</tr>
<tr>
<td></td>
<td>Financiers</td>
</tr>
<tr>
<td></td>
<td>Sponsors</td>
</tr>
<tr>
<td></td>
<td>Client’s Customers</td>
</tr>
<tr>
<td></td>
<td>Client’s Owners</td>
</tr>
<tr>
<td></td>
<td>Other Internal Supply-Side Categories</td>
</tr>
<tr>
<td>Demand Side</td>
<td>Principal Contractor</td>
</tr>
<tr>
<td></td>
<td>First Tier Contractor</td>
</tr>
<tr>
<td></td>
<td>Second Tier Consultants</td>
</tr>
<tr>
<td></td>
<td>Professional Services Providers</td>
</tr>
<tr>
<td></td>
<td>Other Internal Demand-Side Categories</td>
</tr>
<tr>
<td>Public</td>
<td>Regulatory Agencies</td>
</tr>
<tr>
<td></td>
<td>Local Government</td>
</tr>
<tr>
<td></td>
<td>National Government</td>
</tr>
<tr>
<td></td>
<td>Other External Public Categories</td>
</tr>
<tr>
<td>Private</td>
<td>Local Residents</td>
</tr>
<tr>
<td></td>
<td>Local Landowners</td>
</tr>
<tr>
<td></td>
<td>Conservationists</td>
</tr>
<tr>
<td></td>
<td>Archaeologists</td>
</tr>
<tr>
<td></td>
<td>Other External Private Categories</td>
</tr>
</tbody>
</table>

Even though the quality of the data is high, there are enormous differences in the quantity of information among the different case studies. Not all the wished analyses can be made on all the Megaproject Portfolio case studies. This is the reason why it is necessary to cluster the case studies according to the kind of information available in order to have comparable data. The possible analyses for all the 20 case studies regards mainly the typology of stakeholders (e.g. internal/external, private/public), the ones suitable only to 14 of them regards some stakeholders’ attributes (i.e. interest, attitude, influence, impact), and the ones suitable only for 6 of the cases regards other stakeholders’ attributes (i.e. power, urgency, risk, influence and satisfaction).

Fig. 1 shows the classification of the cases based on the information available, instead Table 3 the list of the case studies belonging to the Megaproject Portfolio [22].
The data analysed in the cluster with all the 20 cases are characterized by a decimal representation and they let to understand the distribution and the presences of the stakeholders in megaprojects. Instead, the data analysed in the clusters with 14 and in the one with 6 cases, consider the variables as binomial ones (0 or 1).

Even though the analysis of the 20 cases do not provide research answers to the four mentioned propositions, it helps understanding the megaproject context from a stakeholder management perspective and it increases and supports the reliability of the validation process.

### IV. Results

Once the data are identified and classified, qualitative analyses are carried out. They are mainly descriptive statistics analyses, whose results describe the main features of the collected information. As mentioned, the results are classified according to availability of information. In this section, relevant findings for each of the clusters are presented. They are the basis for the propositions’ validating process.

#### A. 20 case studies

In the Megaproject Portfolio 742 stakeholders are identified. The only data that are a common background to each of the 20 cases of the Megaproject Portfolio are about the typologies and the lists of internal and external stakeholders, plus their having been cited as either groups or individuals. What first need to be highlighted is that the 67% (out of 400 potential data) of the information regarding the cited dimensions exists.

Out of 742 stakeholders identified, their highest presence in megaprojects regards are: Local Government (10%), Financier and First Tier contractor (9%), and Principal contractor and Second Tier consultant (8%). All the other typologies are present for less than 6%, going down to presences of 1%. Of course, the relative number of stakeholders belonging to a certain category is not related to a specific stakeholder typology weight in a project, but it is still an indicator of a general dimension of presences regarding the overall picture of stakeholders in a megaproject.
One further important consideration regards the identification of a particular stakeholder as a group (e.g. Municipalities) or as a single (e.g. Municipalities of Seville): the majority of the stakeholders (84%) are listed as single.

The consideration of a stakeholder as a single or as a group can of course slightly bias the previous analysis, but being the stakeholder analysis itself subjective, this distinction is a perceived consideration about an attribute (e.g. influence, power) of an external entity.

The distribution of the stakeholders classified as internal and external, respectively subdivided into demand and supply side, and private and public, is relatively homogenous. The majority of the stakeholders (29%) belongs to the internal demand-side category, a quarter each (26%) to the internal supply-side category and the external public one, and a minor part (19%) belongs to the external private one.

B. 14 case studies

If in every case there are data regarding the categories and the amount of stakeholders, it is not the same for most of the stakeholders attributes. Only 14 cases out of 20 have information regarding the following external stakeholders’ variables: interest, attitude, influence, impact on project, project impact on stakeholders and achieved perceived performance (see Section II for further explanations).

Regarding the attitude, and so the positive or negative interest in a project, only the 43% of the information are available. Fig. 2 shows external stakeholders positive attitude (for each stakeholder a value equal to 0 means a negative attitude towards the project and 1 a positive one).

What results from the analysis is that the highest positive attitude is the one of the Local Government, followed by the other positive one: National Government, other external public categories (mainly identified with the EU), regulatory agencies and local resident. What need to be pointed out is that this positive group coincides with the public external stakeholders. Among the stakeholders with the highest negative attitude, mainly two categories need to be highlighted: Local Landowners and Environmentalist. In addition, Conservationist and Archaeologists have an attitude value (close) to 0, but the number of information for these two is considered not significant.

![FIGURE 2 – EXTERNAL STAKEHOLDERS’ POSITIVE ATTITUDE](chart.png)
Fig. 3 instead shows the distribution of the attribute regarding the influence on a project by external stakeholders. The result of the analysis is that the highest influence is the one of Regulatory Agencies, National Governments and Other External Public categories (mainly EU). Despite the representation in the graph, information regarding Conservationists and Archaeologists are too poor and so are not significant for the analysis. Still, unfortunately, only the 38% of the overall information regarding external stakeholders influence is available.

C. 6 case studies

For 6 of the case studies of the Megaproject Portfolio it has been developed a further deeper stakeholder analysis, which considers both internal and external stakeholders. The level of information of this data gathering is relatively high, in fact, taking into account the overall possible information, the 72% of the data are available.

The radar chart above (Fig. 4) takes into account three specific stakeholders’ attributes: power, urgency and risk (see Section II for further explanations). It highlights that in four cases out of 6 (67%) the National Government has a high power and in the half of the cases his urgency is also high. Urgency has been also high in the 33% of the cases for the following stakeholder categories: sponsor, client’s owner, principal contractor and local resident. Regarding instead the project risks,
they have been high in few cases (33%) for financiers, client’s customers, client’s owners, principal contractors and first tiers contractors.

The next radar graph (Fig. 5) shows the influences of stakeholders on time, cost and project goals (see Section II for further explanation). Regarding time performances, the highest influence (in 50% of the cases) is the one of the financiers, the client owners, the first tier contractors and the National Governments. Instead, regarding the performances of cost, the highest value is the one of the financiers, followed by the clients, their customers and owners, the first tier contractors, the national government and the EU (other external public categories). Finally, the highest influences on the overall project goals are the ones of the National Governments first, followed by the environmentalists, the financiers, the client’s customers and the regulatory agencies.

Another analysis on the cluster of 6 case studies regards stakeholders’ satisfactions according their ideas, visions and expectations. The bar chart below (Fig. 6) shows their positive and negative satisfaction about a project performances. The most satisfied stakeholders are the client’s customers and the Local Governments. financiers, client’s owners, principal contractors, first tiers contractors, National Governments and local residents resulted to be in some cases satisfied and in others not. The category which resulted to be often (50% of the cases) unsatisfied is the one of the environmentalists; in one case study also the client resulted to be the same. If the least satisfied stakeholder can be clearly identified, this is not the same for the most satisfied one.
The 14 and the 6 case studies clusters’ results answer to the four research questions. For each of the question, the same code was looking in each case study in order to see what was the result from the practice. Once a research answer was identified, contradictory information was looking for in order to validate or not each results. In the analysis done, no contradictory information proved any of the research questions wrong. Research answers and referred supporting cases studies are clearly shown in Table 4 (see Table 1 for the explanation of information gathered for each research question and Table 3 for megaproject referred numbers).

### TABLE 4 – RESEARCH QUESTIONS AND ASWERS

<table>
<thead>
<tr>
<th>RESEARCH QUESTIONS</th>
<th>RESEARCH ANSWERS</th>
<th>SUPPORTING CASE STUDIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Which stakeholder is the main sponsor in the majority of European megaprojects?</td>
<td>European Union</td>
<td>2.1 – 3.1 – 3.4 – 3.6 – 3.7</td>
</tr>
<tr>
<td>ii. Which is the stakeholder that results to be the most connected with megaproject power?</td>
<td>National Government</td>
<td>2.1 – 2.3 – 2.6 – 2.7</td>
</tr>
<tr>
<td>iii. Which is the stakeholder that result to be the one with the highest influence on megaproject performances?</td>
<td>National Government</td>
<td>2.1 – 2.3 – 2.7 – 3.5</td>
</tr>
<tr>
<td>iv. Which is the least, and which is the most, satisfied stakeholder in regards to megaproject outcomes?</td>
<td>Environmentalists (least), no single one (most)</td>
<td>2.3 – 2.6 – 2.7</td>
</tr>
</tbody>
</table>

### V. CONCLUSIONS

This paper provides useful insights from the practitioner world to the scientific one. However, the authors believe that the results can be interesting for both practitioners and academics. The Megaproject Portfolio developed by the Megaproject COST Action group was the main source of the analyses done. The findings highlight the following:

i) the European Union is the main sponsors and supporter of megaproject within the European territory;

ii) each National Government of a megaproject is the most powerful and the highest influencer on project performances;

iii) the least satisfied stakeholder is the Environmentalist, there is not the same evidence for the most satisfied one.

### ACKNOWLEDGMENT

A special thanks to the Megaproject COST Action that funded this European research project and to all its members with particular reference to the Managing External Stakeholder (MES) group. The Megaproject COST Action is funded by the COST Program (COST is an intergovernmental framework aimed at facilitating the collaboration and networking of scientists and researchers at European level).
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Agnese Travaglini is a research fellow at the Dept. of Management, Economics and industrial Engineering at Politecnico di Milano. She holds a MSc in Management Engineering. Her research focuses mainly on Project Management, Modularization Management, Building Information Modeling and Megaproject Management. Additionally she serves as a teaching assistant to master and bachelor courses in Project Management and Industrial Plants at Politecnico di Milano. Her passion for Project Management made her become the president of IPMA (International Project Management Association) Young Crew Italy, an association aimed at spreading Project Management culture especially among students and young practitioners. She was a member of the Megaproject COST Action, a research project on Megaproject funded by the European Union.

Ivana Burcar Dunović is an assistant professor at the University of Zagreb, Croatia. She was a researcher on several research projects on risk management in construction projects, especially in large infrastructure projects. Her recent research activities are related with her involvement in COST Action Megaproject: The Effective Design and Delivery of Megaprojects in the European Union as Committee Member, as a member of Working group “Managing External Stakeholders” and Leader of Working group “Risk in Front End”. She is a member of CIB, IPMA, and NETLIPSE where she is member of Scientific Committee. She is trained IPMA Excellence Award Assessor and Infrastructure Project Assessments Tool Assessor. Her research interests are risk and stakeholder management, key performance indicators, project governance, large project assessment and evaluation, management control systems, scheduling techniques, project management processes and IT in construction management.

Mauro Mancini is associate professor at the Dept. of Management, Economics and industrial Engineering at Politecnico di Milano, teaches Industrial Plants and Project Management at master and bachelor degree program of Politecnico di Milano. He also teaches managerial topics (mainly Project Management related) at MIP (the Business School of Politecnico di Milano) in different Master Programs. He is the dean of the Master in Nuclear Plant Construction Management and of the European Master in Strategic Project Management. Since 2012 he has been the Chair of the Construction Chapter of ANIMP (Associazione Nazionale Impiantistica Italiana), an industrial Italian association gathering Main Contractors and Manufacturers of the Engineering and Contracting Sector. His main research interest are Project and Program Management, Risk Management, Industrial Plant Management, Modularization, Building Information Management and decision support system for investment decisions. He is author of more than 100 international publications in Project Management, Operation Management and Megaproject.