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STAKEHOLDER MANAGEMENT IN INTERNATIONAL PROJECTS

Kirsi Aaltonen

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<p>Abstract</p> <p>Today's international projects are implemented in institutionally demanding environments and executed by coalitions of stakeholders that have differing interests, objectives and socio-cultural backgrounds. Consequently, international projects are subject to the demands and pressures presented by external stakeholders such as community groups, local residents, landowners, environmentalists, regulatory agencies, and local and national governments. Despite the acknowledged importance of stakeholder management, project research still lacks both theoretical knowledge and empirical evidence concerning various project stakeholder related phenomena. The objective of this thesis is to contribute to project research by increasing the understanding of external project stakeholder behavior and a focal project's stakeholder management activities in international projects. The primary theoretical perspective used in this thesis is stakeholder theory, which is applied in the context of project stakeholder research.</p> <p>The thesis comprises of a summary and five publications that are based on five separate case study research settings. Publications I and II adopt the perspective of project stakeholders. Their empirical results are based on an in-depth study of a pulp mill project in Uruguay that faced extreme stakeholder related challenges. The key contribution of publication I is that it identifies and describes empirically eight different influence strategies that external project stakeholders may use to shape their salience. In publication II eight propositions concerning external project stakeholders' potential to take action and influence the project management's decision making during the different phases of the project lifecycle are developed. Publications III, IV and V adopt the perspective of a focal project and examine its activities with respect to external stakeholder influences. The key contribution of publication III is that it identifies and describes different response strategies that a focal project may enact as a response to external stakeholder pressures. By adopting an environmental interpretation perspective, publication IV describes the practices through which project management teams analyze and interpret the project's external stakeholder environment in four international case projects. Publication V adopts a stakeholder network perspective and illustrates how a focal project's local stakeholder relationships are associated with the emergence and management of unexpected events in three international case projects.</p> <p>The findings of this thesis highlight the importance of external stakeholder management in international projects. Through the application of the ideas of stakeholder theory, the results of this thesis provide new theoretical and empirical understanding of how external project stakeholders may influence the project management's decision making during the project lifecycle. The results of this thesis demonstrate how a focal project may analyze its external stakeholder environment and respond to external stakeholder pressures and unexpected events in the context of international projects. Ultimately, the new knowledge of external stakeholders' influence strategies and better understanding of how a focal project can deal with stakeholder influences, supports project managers in the development of effective project stakeholder management approaches.</p>			
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<p>Tiivistelmä</p> <p>Kansainvälisiä projekteja toteutetaan yhä enenevässä määrin institutionaalisesti haastavissa ympäristöissä. Lisäksi projekteja toteuttavat useat eri toimijat, joilla on erilainen sosiokulttuurinen tausta sekä eriävät intressit ja tavoitteet. Kansainväliset projektit ovat erityisen alttiita ulkoisten sidosryhmien, kuten paikallisten yhteisöjen, paikallisten asukkaiden, maanomistajien, ympäristöjärjestöjen, viranomaisten ja paikallishallinnon esittämille vaateille. Huolimatta siitä, että projektien sidosryhmäjohtamisen tärkeys tunnustetaan projektitutkimuksen kentässä, teoreettinen ja empiirinen ymmärrys monista projektin sidosryhmäilmiöistä on vielä vähäistä. Tämän väitöskirjan tavoitteena on tuottaa uutta tietoa ulkoisten sidosryhmien käyttäytymisestä sekä projektin ulkoisen sidosryhmäjohtamisen toiminnoista kansainvälisissä projekteissa. Väitöskirjassa käytetty pääasiallinen teoreettinen näkökulma on sidosryhmäteoria, jota sovelletaan projektien sidosryhmätutkimuksen kontekstiin.</p> <p>Väitöskirja koostuu yhteenveto-osuudesta ja viidestä erillisjulkaisusta, jotka perustuvat tapaustutkimukseen. Julkaisuissa I ja II tutkitaan ulkoisten sidosryhmien toimintaa. Julkaisujen I ja II empiiriset tulokset perustuvat Uruguayssa toteutetun sellutehdasprojektin tutkimukseen. Kyseinen projekti tuli tunnetuksi erityisesti ulkoisten sidosryhmien hallinnan haasteistaan. Julkaisun I merkittävin tulos on sidosryhmien käyttämien kahdeksan erilaisen vaikutusstrategian tunnistaminen ja kuvaaminen. Julkaisussa II kehitetään kahdeksan väittämää ulkoisten sidosryhmien mahdollisuuksista vaikuttaa projektin päätöksentekoon projektin elinkaaren eri vaiheissa. Julkaisut III, IV ja V tarkastelevat projektin ulkoisen sidosryhmäjohtamisen toimintoja. Julkaisun III keskeinen löydös on projektien käyttämien erilaisten ulkoisten sidosryhmähallintastrategioiden tunnistaminen ja kuvaaminen. Julkaisussa IV kuvataan käytänteitä, joilla projektin johto analysoi ja tulkitsee projektin ulkoista sidosryhmäympäristöä neljässä kansainvälisessä tapausprojektissa. Julkaisussa V sovelletaan verkostonäkökulmaa tunnistamaan ja osoittamaan projektin paikallisten sidosryhmäsuhteiden yhteys odottamattomiin tapahtumiin ja näiden hallintaan kolmessa kansainvälisessä tapausprojektissa.</p> <p>Väitöskirjan löydökset korostavat ulkoisen sidosryhmähallinnan merkitystä kansainvälisissä projekteissa. Hyödyntämällä sidosryhmäteoriaa väitöskirja tuottaa uutta teoreettista tietoa ja empiiristä ymmärrystä siitä, miten ulkoiset sidosryhmät voivat vaikuttaa projektin johdon päätöksentekoon projektin elinkaaren aikana. Väitöskirjan tulokset kuvaavat, miten projekti voi analysoida ulkoista sidosryhmäympäristöään ja reagoida ulkoisten sidosryhmien vaateisiin sekä yllättäviin sidosryhmätapahtumiin kansainvälisissä projekteissa. Kaiken kaikkiaan, väitöskirjassa kehitetty uusi tieto ulkoisten sidosryhmien vaikutusstrategioista ja projektin ulkoisen sidosryhmäjohtamisen toiminnoista tukee projektin johtoa tehokkaiden sidosryhmäjohtamisen menetelmien kehittämisessä.</p>			
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LIST OF PUBLICATIONS

This thesis consists of an overview and of the following publications which are referred to in the text by their Roman numerals.

- I Aaltonen, K., Kujala, J., Oijala, T., 2008. Stakeholder salience in global projects. *International Journal of Project Management* 26(5), 509-516.
- II Aaltonen, K., Kujala J., Forthcoming. A project lifecycle perspective on stakeholder influence strategies in global projects. Accepted for publication in the *Scandinavian Journal of Management*.
- III Aaltonen, K., Sivonen, R., 2009. Response strategies to stakeholder pressures in global projects. *International Journal of Project Management* 27(2), 131-141.
- IV Aaltonen. K., Forthcoming. Project stakeholder analysis as an environmental interpretation process. *International Journal of Project Management*, Article in Press.
- V Aaltonen, K., Kujala, J., Lehtonen, P., Ruuska, I., 2010. A stakeholder network perspective on unexpected events and their management in international projects. *International Journal of Managing Projects in Business*, 3(4), 564-588.

PART I: THEORETICAL BACKGROUND AND KEY FINDINGS

1 Introduction

1.1 Background

International engineering projects that cross national boundaries play a key role in the creation of wealth and wellbeing around the world. As roads are being built, telecom networks implemented, power plants and other facilities developed, the possibilities for economic growth increase, particularly in emerging economies. The number and complexity of international engineering projects has been growing rapidly over the last few decades (Flyvbjerg et al., 2003; Grün, 2004; Miller and Lessard, 2000). Moreover, many of today's international projects are implemented in institutionally demanding environments and executed by coalitions of organizations, grouping a number of firms and non-business organizations that form an inter-organizational project network (Hellgren and Stjernberg, 1995). Consequently, the managerial challenges in international projects are not purely technical; these challenges also arguably entail the management of the social, political and cultural aspects in the context of several stakeholders with differing socio-cultural backgrounds, goals and strategies. Unfortunately many international investment and delivery projects still have strikingly poor performance records in terms of economy, environment and public support (Flyvbjerg et al., 2003; Grün, 2004; Morris and Hough, 1987).

As open systems, international projects are subject to the impacts of a wider socio-political environment and the demands and pressures stemming from external stakeholders such as community groups, local residents, landowners, environmentalists, regulatory agencies, and local and national governments (Florice and Miller, 2001; Morris, 1982; Morris and Hough, 1987; Winch and Bonke, 2002). Such stakeholders are actors in the project's environment that are not formal members of the project coalition but may affect or be affected by the project (Winch, 2004). Consequently, understanding, and managing external stakeholders' demands in the project decision making is of utmost importance in order to ensure the success of an international project (Cleland, 1986; Diallo and Thuillier, 2005; Flyvbjerg et al. 2003; IFC, 2007; Olander and Landin, 2005). In particular, a lack of understanding of the various interest groups, the drivers of their actions and their influence potential during the project lifecycle on the part of management, has been identified as a major challenge in international projects (IFC,

2007; Miller and Olleros, 2000; Winch and Bonke, 2002). However, even though some empirical studies have acknowledged the challenges and conflicts that have arisen from the project's external stakeholder environment in international engineering projects (Flyvbjerg et al., 2003; Miller and Olleros, 2000; Morris and Hough, 1987), the majority of the research has focused on the complex make-up of the project itself, ignoring the external stakeholder context of the project.

The notion of stakeholders was originally introduced to the mainstream general management discussion by Freeman (1984). Two years later, Cleland (1986) brought stakeholder thinking into the project management paradigm. Ever since, the role of stakeholder management as a central project management process has strengthened, and today even the concept of project management is defined through stakeholders as “the process of adapting the specifications, plans, and approaches to the different concerns and expectations of the various stakeholders” (PMI, 2008). Despite the acknowledged importance of stakeholder management, project research still lacks both theoretical knowledge and empirical evidence of various project stakeholder related phenomena (Achterkamp and Vos, 2008; Kolltveit et al., 2007; Yang et al., 2009). Until today, existing scarce research has primarily focused on the conceptual development of stakeholder management tools and frameworks in order to better manage stakeholders (e.g. McElroy and Mills, 2003; Olander and Landin, 2005; Winch and Bonke, 2002). In these attempts, the ideas and theoretical frameworks of stakeholder theory have only been utilized to a limited extent. Hence, what has been missing from prior literature is empirical research and theorizing on how stakeholders actually try to influence the project and how a focal project tries to manage these influences. Following Berman et al. (1999) there is very little descriptive theory or research that describes how stakeholders and focal organizations actually interact. In addition, the role and impact of different contextual factors on the behaviors of stakeholders and a focal project have not been widely investigated before. Furthermore, external project stakeholders and their management have received only scant research attention, since the closed project mindset that dominated project research for decades (Engwall, 2003) has apparently directed research to internal project stakeholders that are formal members of the project coalition.

External stakeholders that may affect the project, or are affected by the project, form a relevant part of the international project's environment that calls for firm managerial attention. The main objective of this thesis is to contribute to project research by bringing new valuable information

and theoretical understanding of how external project stakeholders try to influence the project and how a focal project manages external stakeholders in the context of international projects. This is done by approaching the subject from the two sides of project stakeholder management, namely that of project stakeholders and of a focal project, in five empirical studies. In other words, both external stakeholder behavior and a focal project's stakeholder management activities are addressed in this thesis. In addition, the impact of selected contextual factors, project lifecycle phase, project management team's interpretation processes and local stakeholder network structure, on stakeholder behavior and its management is examined in the thesis. In particular, examining the role of the above mentioned contextual factors is believed to bring new insight about the dynamics of external stakeholder related phenomena in the context of international projects. Recently, various researchers have pointed out that a majority of project stakeholder studies provide only a static view of the situation and have, therefore, called for research to understand the dynamic nature of stakeholders' and management's behavior in projects (Olander and Landin, 2005; Ward and Chapman, 2008; Winch and Bonke, 2002; Yang et al., 2009). In addition to contributing to extant project research by increasing the current understanding of external project stakeholder behavior and corresponding managerial responses through the empirical study of different international projects, the present research attempts to contribute to stakeholder research and research on international projects. Furthermore, the results of this study ultimately support the development of more effective stakeholder management approaches.

The primary theoretical perspective used in this thesis is stakeholder theory that is applied in the context of project stakeholder research. Utilizing the established theoretical frameworks of stakeholder theory in the investigation of international projects complements and deepens the current theoretical knowledge on project stakeholder management. The basic assumption of stakeholder theory is that a focal organization, i.e. a focal project, has relationships with many groups and organizations in its external environment. Stakeholder theory has been selected because it is a central theoretical perspective used to study stakeholders and provides a solid starting point for identifying and classifying project stakeholders in order to understand their behavior. In addition to drawing from stakeholder theory, this thesis utilizes extant research on project stakeholder management and the management of international projects.

1.2 Research objectives and research questions

The key objective of this thesis is to increase understanding of external project stakeholder behavior and a focal project's external stakeholder management activities in the context of international projects. The purpose is to provide new theoretical and empirical insight into project stakeholder related phenomena through the study of how external stakeholders try to influence the project and how a focal project tries to manage these influences in international multi-firm projects. Additionally, the perspectives of project lifecycle, project management team's interpretation processes and local stakeholder network structure are adopted in order to examine and explain external stakeholder behavior and a focal project's activities with respect to external stakeholders. Regardless of the recognized importance of stakeholder management for project success, the scarce body of literature on project stakeholder management has mainly focused on the conceptual development of normative stakeholder management frameworks and classification tools from a focal project's vantage point (Achterkamp and Vos, 2008; Kolltveit et al., 2007; Yang et al., 2009). Missing from the literature are in-depth empirical accounts of how external stakeholders manage a project in order to achieve their own interests and how a focal project may respond to such influence. Furthermore, the amount of prior studies contributing to the understanding of the dynamic nature of external project stakeholder behavior and a project's stakeholder management activities is limited, while the focus in prior research has been on internal stakeholders.

The research objective of this thesis is approached from two central perspectives. First, publications I and II approach the subject from the stakeholder side of project stakeholder management. The interest is in understanding how external stakeholders try to influence the project. More specifically, publications I and II investigate what types of means, i.e. stakeholder influence strategies, external project stakeholders use to advance their interests and how they are able to influence the project management's decision making during the different phases of the project lifecycle. Second, publications III, IV and V adopt the perspective of a focal project by examining how a focal project tries to manage external stakeholder influences. More specifically, publications III, IV and V investigate what kinds of response strategies a focal project may employ as a response to pressures generated by external stakeholders, how project management teams conduct stakeholder analysis and interpret the project's external stakeholder environment, and, how a focal project actually deals with unexpected stakeholder related events.

Furthermore, publications II, IV and V provide additional insight into contextual factors that have an impact on the behaviors of external stakeholders and focal projects. In this thesis, the addressed contextual factors are project lifecycle phase, project management team's interpretation processes and local stakeholder network structure.

Figure 1 illustrates the relations and key differences in the research scope of the five separate publications.

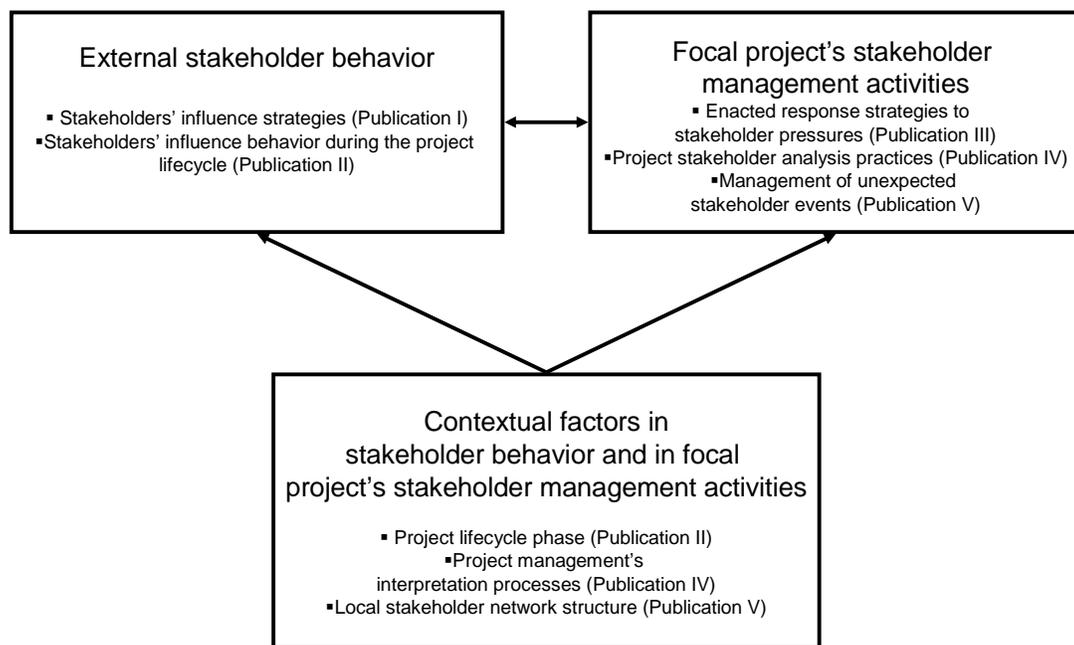


Figure 1. Research scope of individual publications

The objective of this thesis is to increase understanding of external project stakeholder behavior and a focal project's external stakeholder management activities in the context of international projects.

The two main perspectives and specific research questions of the thesis are:

Perspective 1: External stakeholder behavior (Publications I and II)

- RQ1: What kinds of strategies do external stakeholders use in order to shape their salience? (Publication I)
- RQ2: How do external project stakeholders take action and influence the project management's decision making during the different phases of the project lifecycle? (Publication II)

Perspective 2: Focal project's stakeholder management activities (Publications III, IV and V)

- RQ3: What kinds of strategies do focal projects enact as responses to the demands presented by external stakeholders? (Publication III)
- RQ4: How, through what kinds of practices, do project management teams analyze and interpret their external stakeholder environment in the context of international projects? (Publication IV)
- RQ5: How are a focal project's local stakeholder relationships associated with the emergence and management of unexpected events in international projects? (Publication V)

In addition to the two central perspectives above, another contribution in publications II, IV and V is that they provide knowledge on specific contextual factors affecting external stakeholder behavior and a focal project's external stakeholder management activities. Such contextual factors include the project lifecycle phase, project management team's interpretation processes and local stakeholder network structure.

The five specific research questions of this thesis (see above) are discussed in the following. While discussing each research question, a description of the motivation behind the question is provided, in terms of describing the contribution in the respective publication.

RQ1: What kinds of strategies do external stakeholders use in order to shape their salience? (Publication I)

The vast majority of studies on project stakeholder management have adopted the project management's perspective, while far less attention has been devoted to understanding the stakeholder side of project stakeholder management. Various scholars in the field of stakeholder research have also pointed out that there is a need to understand the dynamic nature of stakeholder attributes and stakeholder influence strategies better (Frooman, 1999; Mitchell et al., 1997). Publication I combines the stakeholder salience framework (Mitchell et al., 1997) with stakeholder influence strategies and identifies and describes empirically different influence strategies that external stakeholders may use to increase their salience in the eyes of the project management. Especially management's lack of understanding of the various interest groups has been articulated as one major challenge in projects (IFC, 2007; Miller and Olleros, 2000; Winch and Bonke, 2002). Therefore, better understanding of external stakeholders' influence strategies increases project management's capabilities to manage stakeholders more effectively. Publication I increases the knowledge of the dynamic nature of external stakeholder behavior and salience in international projects. It also aims at contributing to stakeholder research by providing empirical evidence on different influence strategies that external stakeholders may use to shape their salience attributes.

RQ2: How do external stakeholders take action and influence the project management's decision making during the different phases of the project lifecycle? (Publication II)

Prior research on project stakeholder management has called for increased understanding of the dynamic nature of project stakeholder management (Achterkamp and Vos, 2008; Olander and Landin, 2005; Yang et al., 2009). A project creates a dynamic context for stakeholder management because it moves through different phases during its lifecycle (Morris, 1982). Consequently, project stakeholders' potential to take action and influence the project management's decision making changes over the project lifecycle, as the project proceeds from the investment preparation phase through the project execution phase to the operations phase. Publication II adopts a project lifecycle perspective on external stakeholders' behavior and attempts to increase the understanding of the potential of external stakeholders to influence the project management's decision making during the different phases of the project lifecycle.

Furthermore, publication II contributes to understanding of the implications of different project lifecycle phases for stakeholder behavior and stakeholder management by providing new insights on the mechanisms through which different lifecycle phase characteristics influence stakeholders' behavior and the decision making of the project management.

RQ3: What kinds of strategies do focal projects enact as responses to the demands presented by external stakeholders? (Publication III)

International projects are implemented in demanding and complex institutional settings and are hence subject to impacts of the wider socio-political environment (Morris, 1982). Prior project management literature provides examples and descriptions of unforeseen demands and claims presented by actors in the project's environment (e.g. Winch and Bonke, 2002). The majority of project stakeholder research has, however, focused on the rational process of stakeholder management by providing normative tools and frameworks for stakeholder identification and classification (e.g. McEllroy and Mills, 2003; Olander and Landin, 2005). There is limited project stakeholder research that explores how stakeholder events are actually dealt with as they occur (Söderholm, 2008). Consequently, we only have little understanding of the diverse strategies that organizations involved in a project may use as a response to stakeholder pressures from the project's environment. Publication III contributes to project stakeholder management research both theoretically and empirically. By adopting the ideas of Oliver (1991) from the field of institutional theory, the study empirically identifies and describes different types of strategies a focal project may enact as a response to the demands presented by external stakeholders. In addition, publication III identifies factors that predict the occurrence of the identified response strategies.

RQ4: How, through what kinds of practices, do project management teams analyze and interpret their external stakeholder environment in the context of international projects? (Publication IV)

The majority of prior research on project stakeholder management focuses on developing different managerial tools and methods for stakeholder identification and classification (e.g. Olander and Landin, 2005; Winch and Bonke, 2002). An essential part of stakeholder management is stakeholder analysis. By conducting stakeholder analysis, project management

teams attempt to build a “correct” picture of their stakeholder environment based on which organizational action concerning stakeholders can be determined. Building the “correct” picture of the project stakeholder environment, however, is not as straightforward as numerous normative managerial methods and tools of stakeholder analysis suggest (Jepsen and Eskerod, 2009; Olander and Landin, 2005; Yang et al., 2009). Despite the fact that the project management team’s perception and interpretation processes have been voiced to be at the heart of many stakeholder classification frameworks (e.g. Mitchell et al.’s (1997) stakeholder salience framework), only limited attention has been devoted to the managerial interpretation processes concerning stakeholder environments in the field of project research. Therefore, we only have limited knowledge on how projects, in practice, interpret and come to know their stakeholder environments. It is the interpretation processes – how information from the stakeholder environment is obtained, filtered and processed – that ultimately determine the managerial actions with regard to project stakeholders. Publication IV contributes to existing project stakeholder research by applying the theoretical model of organizations as interpretation systems (Daft and Weick, 1984) in the project stakeholder management context. The main assumption is that project management teams differ systematically in the mode and process through which they interpret their external stakeholder environment. By examining stakeholder analysis processes from an interpretation perspective, publication IV offers new insight and understanding of the content of the project management team’s stakeholder analysis processes. In particular, the investigation provides new types of explanations for the potential differences in realized project stakeholder analysis practices.

RQ5: How are a focal project’s local stakeholder relationships associated with the emergence and management of unexpected events in international projects? (Publication V)

International projects are increasingly carried out as networks of different organizations, namely project networks (Artto and Kujala, 2008; Hellgren and Stjernberg, 1995), multi-organizational (Grün, 2004) or inter-firm projects (Söderlund, 2004). As projects are embedded in complex stakeholder networks consisting of several organizations, it is essential to understand how these forces, external to the focal project organization, affect the project’s behavior and structure (Engwall, 2003). Due to a focal project’s interaction with local stakeholders with diverse socio-cultural backgrounds, projects are seldom implemented as planned; various unexpected events from the project’s stakeholder environment may occur during project execution (Orr, 2005).

More specifically, unforeseen and unanticipated influences from an international project's environment have been identified as one major source of uncertainty during the project implementation (Florice and Miller, 2001). While earlier research has acknowledged project stakeholders as a major source of unexpected events (Söderholm, 2008), limited research attention has been given to studying how a focal project's patterns of relationships with local stakeholders are associated with the emergence and management of unexpected events in projects. Publication V contributes to both project stakeholder management research and research on international projects by illustrating how a focal project's local stakeholder relationships are associated with the emergence and management of unexpected events in the context of international projects.

1.3 Scope of the thesis

The research focus in this thesis is external stakeholder management in the context of international projects. The thesis draws primarily from stakeholder theory and is descriptive and explanatory in the sense that focus is put on describing and explaining both stakeholder behavior and a focal project's stakeholder management activities. Therefore, as the study focuses on describing what is actually happening, it draws mainly from descriptive stakeholder theory (Donaldson and Preston, 1995). Furthermore, the thesis can be positioned in the field of strategic stakeholder management research, because it is ultimately concerned with which groups are stakeholders that require management attention and how these groups should be managed.

The thesis makes a distinction between internal and external stakeholders and is focused primarily on the latter group. In this thesis, external stakeholders are considered as groups that are not formal members of the project coalition, but that may affect or be affected by the project. Such groups are often referred to as non-business stakeholders or secondary stakeholders (Cova and Salle, 2005). Whilst the focus of the study is primarily on external stakeholders such as local community groups or government agencies, contributions to the research on the management of internal project stakeholders, such as customers, are excluded from the scope of this study, even though one of the publications (publication V) briefly deals with this theme. One of the publications (publication II) is focused on the management of

opposing secondary stakeholder groups in particular, while other publications address the management of external stakeholders in general.

Furthermore, the study concentrates primarily on the investigation of stakeholders' and a focal project's activities at an organizational level of analysis, while the individual and societal level interactions are limited out of the scope of the study. Hence, in this study a focal project is considered as an independent organization. However, publication IV addresses, to a certain extent, features concerning individual managerial decision making in the context of project stakeholder management.

Project stakeholder behavior can be considered to cover a wide range of activities related to stakeholders' behavior such as stakeholder mobilization, decision making and different influence tactics and strategies that stakeholders use to advance their claim and manage the project. In this thesis project stakeholder behavior is examined especially from the viewpoint of stakeholder influence strategies that are the means that stakeholders use to advance their claim (Frooman, 1999) and influence their salience. A focal project's behavior with respect to stakeholders may also cover a wide range of stakeholder management activities. In this thesis, a focal project's stakeholder management activities are studied especially from the perspectives of strategies that focal projects enact as a response to external stakeholder pressures, project management team's stakeholder analysis practices, and the approaches that a focal project uses to manage unexpected stakeholder related events.

The projects analyzed in this thesis are international industrial investment or delivery projects that are implemented in a multi-firm network in institutionally challenging environments. In this thesis international projects are considered as projects that cross national boundaries and involve, hence, parties from two or more countries (Turner, 1999). The industry contexts of the studied projects vary, but they are engineering projects that involve, for example, building of a telecommunications network, industrial facility or a power plant. The analyzed customer delivery projects are both industrial turnkey and system delivery projects. The stakeholder issues in the analyzed projects are viewed either from the perspective of the focal project embedded in a multi-firm project network (publications III, IV and V) or from the perspective of external stakeholders (publications I and II). Project stakeholders and inter-organizational relationships between the stakeholders form the stakeholder network in which the focal project

is embedded. The international dimension is present in all of the studied case projects. However, three of the publications (publications I, II and III) are conducted in a global project context that can be considered as a subcategory of international projects.

Finally, as the thesis is based on five separate studies and publications, the analysis and results presented in the thesis are limited to the topics reported in the publications. In other words, this thesis investigates external project stakeholder behavior and a focal project's external stakeholder management activities from selected perspectives by utilizing central theoretical frameworks of stakeholder theory.

1.4 Research process and publications

The motivation and starting point of the research reported in this thesis is the need to understand external project stakeholder related phenomena in the context of international projects. The thesis studies the phenomena from the standpoints of external project stakeholders and of a focal project. Furthermore, associated contextual factors that have an impact on the influence behavior of external stakeholders and stakeholder management activities of the focal project are studied. In order to discover the key issues related to the studied phenomena and enable theory development, several case studies were conducted, and accordingly, five research papers were written on the studies. The results of the thesis are based on five separate publications that were developed based on the case studies conducted during 2007-2009. The understandings of external stakeholder behavior, a focal project's managerial activities with regard to external stakeholders, and of the contextual factors that explain them, emerged through the process of conducting separate studies for each of the publications. In addition, the relevance and contributions of the findings to different literatures were consolidated in the overall research process. The focus of the conclusions part of the thesis is on explaining the implications of the findings to research on project stakeholder management, research on international projects and stakeholder research in general.

The overall research process of this thesis is tightly linked with the research processes of the individual publications appended to the thesis. Each of the publications in this thesis addresses specific research questions and, hence, has a different perspective on external stakeholder

behavior and its management in the context of international projects. In the following, the role of individual publications' research processes in the overall research process is described.

The whole research process of this thesis started with an interest in the unique international project case in the spring of 2007. Publication I reports the key findings of a single case study of a pulp mill project in Uruguay that was highly unique due to its extreme nature of stakeholder challenges. The project received a lot of media attention because of its external stakeholder conflicts, which made it possible to utilize rich public data in the analyses of publication I. The literature review on project stakeholder management and stakeholder theory was started in parallel with the familiarization of the researcher to the case. It soon became evident that literature on project stakeholder management was scarce in comparison to its centrality in the project management paradigm and its practical relevance. Especially the perspective of external project stakeholders was realized to be unexplored in prior research. This paucity of research directed the research focus on stakeholder influence strategies, which was also well suited to the case context of the Uruguayan pulp mill. Therefore, publication I adopts the external stakeholders' perspective to project stakeholder management by identifying, describing and categorizing the different influence strategies that the opposing stakeholders employed in order to shape their salience in the eyes of the project management. The study on the pulp mill project served as a pilot case for forthcoming case studies, since, in its richness, it allowed the researcher to increase her understanding of potential future studies' perspectives on the theme of project stakeholder management. In particular, the case analysis of the pulp mill project led to the initial realization of the important role of the project lifecycle, project management team's interpretation processes and local stakeholder network structure in project stakeholder dynamics. In addition, the case study provided evidence on the dynamics of a focal project's response strategies to external stakeholder pressures.

The pilot study of the pulp mill project in Uruguay emphasized the important role of the project lifecycle in project stakeholder behavior and in a focal project's stakeholder management activities; thus, project lifecycle perspective was deemed to merit further study. Publication II is a continuation study of the study in publication I, since it further develops the ideas on external stakeholder behavior during the project lifecycle. The research was initiated in the fall of 2007. A project creates a dynamic context for stakeholder management and stakeholder behavior because the project moves through different phases during its lifecycle. By identifying and describing the distinct characteristics of different project lifecycle phases, the study in

publication II develops propositions that increase the understanding of the potential of secondary stakeholders to influence the project management's decision making during the different phases of the project lifecycle. Furthermore, the use of various stakeholder influence strategies is illustrated in the empirical part of the publication that analyzes the pulp mill project in Uruguay. Overall, the theoretical analysis and empirical illustrations on the Uruguayan pulp mill case increase the understanding of stakeholder dynamics during the different phases of the project lifecycle.

Publication III examines different response strategies that a focal project participating in a global project may enact as a response to external stakeholders' demands. Instead of adopting the viewpoint of stakeholders as in publications I and II, this study empirically examines a focal project's strategic activities with regard to external stakeholder pressures. The pilot study of the pulp mill in Uruguay already revealed that projects may respond to stakeholders' claims in different ways. This notion is studied further in publication III, which employs a multiple case study design. The research for the publication was conducted during the fall of 2007 and the spring of 2008. Also during this period a more in-depth literature analysis with regard to project stakeholder management and international project management was conducted. By drawing both from institutional and stakeholder theory, five different response strategies are identified and depicted in publication III. Furthermore, the different factors that are seen to explain the use and emergence of different response strategies are discussed. From the identified factors, the findings related to the role of the project management team's interpretation processes and local stakeholder network structure are developed further in publications IV and V.

Publication IV further develops the ideas of publication III by investigating the practice of stakeholder analysis from the viewpoint of project management teams. The emphasis is on identifying and describing the different ways project management teams attempt to read and interpret their external stakeholder environments. As a result of the multiple case study, a typology of different interpretation modes that differ with regard to their stakeholder analysis characteristics is developed. The research places particular attention on the project management team's beliefs about the stakeholder environment and on the project's intrusiveness towards its stakeholder environment as explanatory factors for the identified differences in the interpretation modes. The empirical part of the research was conducted during 2008.

The findings of publication III motivated the researcher to study further the implications of the local stakeholder relationships to the management of unexpected events. Consequently, publication V investigates unexpected stakeholder related events in international projects from an inter-organizational network perspective. The study illustrates how a focal project's local stakeholder relationships are associated with the emergence and management of unexpected events in the context of international projects. The study was conducted between the fall of 2007 and the fall of 2009.

Publications I, III, IV and V follow the inductive research logic in building understanding of the specific external project stakeholder related phenomena under investigation. Inductive research starts with real world data and builds theories based on that input, whereas deductive research starts with existing theories and develops hypotheses that are tested (Dubois and Gadde, 2002). However, the role and use of existing theory in the theory building efforts varied between the individual publications: in three publications existing theoretical knowledge was only used as a loose framework (publications I, III and V) that guided the research, while in publication IV a specific existing theoretical framework was used as a starting point for the research and the aim of the theory building was to deepen and complement this framework. Publication II is a theoretical paper in which the role of the empirical case is ultimately to illustrate the propositions that were developed based on prior theoretical understanding.

The overall research process of the thesis can be described as an iterative process during which each individual research provided new knowledge, perspectives and ideas that could be utilized as a pre-understanding in the subsequent phases of the research. The literature review on stakeholder management was initiated in parallel with the pilot case study of the Uruguayan pulp mill. During this process theoretical a priori understanding on project stakeholder management and areas that deserved more research attention was formed. The interplay between theory and empirical analysis was constant throughout the whole research process as the researcher moved back and forth between theory and the empirical world. Each individual study further complemented the preliminary theoretical understanding and supported in framing the scope of the subsequent studies. For each of the separate studies the particular aspects of stakeholder theory and project stakeholder management research dealing with the subject of the study were examined more thoroughly. In short, the research processes of the individual publications form a chronological and logical overall research process that builds on the cumulative theoretical understanding and empirical knowledge from previous studies. As a

result of the individual publications' research processes, new knowledge was developed on the topics of external project stakeholder behavior, on a focal project's external stakeholder management activities and on the contextual factors that influence external stakeholders' behavior and managerial activities with respect to external stakeholders. After the empirical studies, the literature was revisited in order to identify relevant theoretical perspectives that could further enhance the analysis of key findings and to compare the results with conflicting and similar literature (Eisenhardt, 1989).

Figure 2 depicts the overall research process of this thesis.

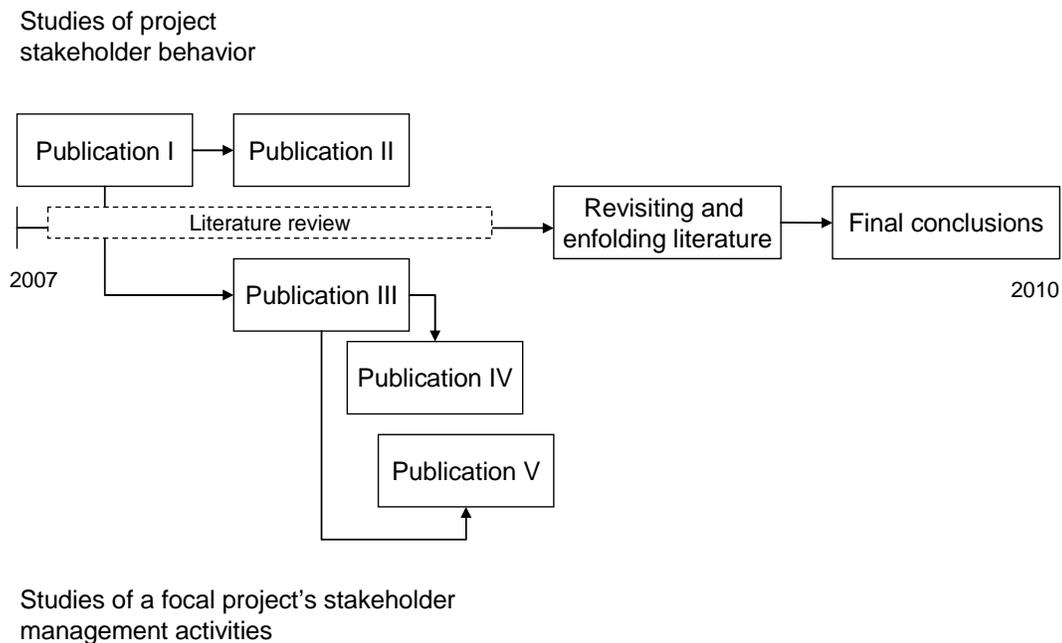


Figure 2. Research process of the thesis

In the following, the researcher's personal contribution to the research process of those publications that involved multiple authors is explicated.

As the first author of publication I, I conceived the idea for the research, planned the research framework, conducted data analysis and wrote the first version of the paper. Jaakko Kujala provided valuable guidance during the early phases of the research with regard to framing of the research. I was assisted by Tuomas Oijala in the data gathering process. Jaakko Kujala commented drafts of the paper and provided feedback on the writing. Feedback from the guest

editors of International Journal of Project Management influenced the final version of the paper. The researcher's approximate contribution for the paper was 85%.

As the first author of publication II, I was responsible for planning the research design. I wrote the first version of the paper. Jaakko Kujala participated in writing of the paper as a second author and took part especially in the proposition development process and in the revision process of the paper. Comments from Juha-Antti Lamberg in addition to guest editor and five anonymous reviewers of The Scandinavian Journal of Management influenced the final version of the paper. The researcher's approximate contribution for the paper was 80%.

As the first author of publication III, I was responsible for the research design, implementation and data analysis. I wrote the first version of the paper. Feedback from Risto Sivonen and the guest editor of International Journal of Project Management influenced the final version of the paper. The researcher's approximate contribution for the paper was 95%.

As the first author of publication V, I was responsible for the research design, implementation and data analysis. I wrote the first version of the paper. Comments from Jaakko Kujala, Päivi Lehtonen, Inkeri Ruuska and from the editor and two anonymous reviewers of International Journal of Managing Projects in Business influenced the final version of the paper. The researcher's approximate contribution for the paper was 90%.

1.5 Research methods and data

This chapter reports the research methods and data that were used in the thesis. Each individual publication, presented at the end of the thesis, discusses research methods and data more thoroughly.

The individual papers of this thesis adopt the case study approach as their research method. There are several reasons that have affected this choice. First, case studies are suggested to be suitable for investigating a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident (Yin, 2003). Yin's characterization advocates that the case study method is especially useful in the investigation of different contextual conditions that may be highly relevant to the phenomenon

under study. The external stakeholder related phenomena addressed in this thesis are complex and not easily separated from their contexts. Therefore, studying them outside their environment would be highly challenging and would not acknowledge the contextual nature of projects (Smyth and Morris, 2008). In addition, the inter-organizational project context of this thesis favors the use of the case study approach, since such arrangements do not constitute a bounded, closed and clearly defined system (Dubois and Gibbert, 2010). The case study approach ensures the richness of the portrayal of the circumstances encountered and is suited to the handling of the complexity of, for example, networks and relationships between organizations (Dubois and Gibbert, 2010). Furthermore, the research in this thesis examines different contextual conditions, such as the lifecycle phase of the project that would be highly challenging to address with other types of research approaches such as laboratory experiments. Eisenhardt (1989) also asserts that the case study approach typically focuses on understanding the dynamics present within single settings; this view is taken to support the case study approach adopted in this thesis.

Second, theory building research through case studies answers “how” and “why” research questions (Yin, 2003) in unexplored research areas particularly well. The nature of the research questions in this study supports the case study approach. The research questions have both descriptive and explanatory elements, since they focus on identifying and describing stakeholder behavior and a focal project’s stakeholder management activities and on explaining how selected contextual factors influence these behaviors. In addition, existing theoretical understanding of the phenomena studied in this thesis is limited, which also supports the adopted case study approach. According to Eisenhardt (1989), a case study approach is particularly well suited to new research areas where theoretical understanding of the phenomenon is inadequate. Furthermore, the case study method is frequently a recommended approach in situations where many of the variables related to the phenomenon are still unknown (Eisenhardt and Graebner, 2007).

Third, the research of this thesis was carried out in close interaction with practitioners and dealt with real management situations. According to Amabile et al. (2001), case studies have a potential to create knowledge that practitioners will consider useful, which again supports the decision to adopt a case study approach as the research method of this thesis.

The primary strength of the case study approach is its ability to generate novel, testable and empirically valid theory, whereas weaknesses of the approach include the possibility to yield overly complex or narrow and idiosyncratic theory (Eisenhardt, 1989). Case studies rely on multiple sources of evidence and typically combine different data collection methods such as archives, interviews, questionnaires and the direct observation of the researcher (Eisenhardt, 1989; Yin, 2003). In this study, the evidence is of qualitative nature. The primary data for individual studies were collected through semi-structured interviews (publications III, IV and V) and observations in project meetings (publications IV and V). These primary data are complemented with company and project related documents and reports. For the study of the Botnia case (publications I and II), available public data was used as the primary source of data. These data were complemented with interviews with the company representatives. The data collection effort was a two-year process that lasted throughout 2007-2009 and was part of the research project GPS II (Global Project Strategies II). During the research project, a total of 92 interviews on 21 case projects delivered to 17 countries were conducted. Altogether 47 interviews on five case projects were utilized in the publications of this thesis. The themes covered in the interviews were designed in a way that they provided information and addressed the key issues related to the respective publications. Since the data collection effort continued for two years and the research process of the thesis is inductive and iterative in its nature, the interview protocols evolved in minor ways during the process. However, the interviews all share some general characteristics. All the interviews were conducted at least by two researchers and in many of the interviews there were three researchers present. The interview themes entailed also such discussion topics that were only complementary with regard to the topic of this thesis, but were of primary interest for the other researchers that took part in the interviews. Therefore, we had typically agreed that the discussion leader of each interview theme was determined by the research interests, while the other researcher(s) made notes and ensured that all the relevant subthemes were dealt with. The interviews lasted approximately between one to two hours. All the interview data was tape-recorded and transcribed.

Individual studies in publications I and II were conducted as single case studies, whereas studies in publications III, IV and V employed a multiple case study design. A single case study is applicable when the case is unique or unusually revelatory (Yin, 2003). Single case research typically exploits opportunities to explore a significant phenomenon under rare or extreme circumstances (Eisenhardt and Graebner, 2007; Siggelkow, 2007), but, depending on the objective of the study, single cases can also be selected because they are representative or

typical (Yin, 2003). The single case study can also be used as a pilot case that is the first of a multiple case study. This was the rationale for the investigation of the Botnia case in addition to the many unique features that the case possessed. A single case study provides an opportunity to build rich descriptions of a phenomenon (Siggelkow, 2007), but may lack a strong base for theory building (Eisenhardt and Graebner, 2007). Instead, multiple case study designs offer the possibility for more firmly grounded, accurate, robust and generalizable findings and theory (Eisenhardt and Graebner, 2007; Miles and Huberman, 1984). The decision to study multiple cases in publications III, IV and V enhances the generalizability of the research findings. However, the rationale for case selection is more complicated in multiple case study designs than in a single case research. The logic of theoretical sampling may be to choose cases which are likely to replicate previous cases or extend emergent theory, or, they may be chosen to fill theoretical categories and provide examples of polar types (Eisenhardt, 1989). The choice is therefore based less on the uniqueness of a given case and more on the contribution to the theory development within the set of cases (Eisenhardt and Graebner, 2007). In publications III, IV, and V, the sampling logic was to select polar project cases with regard to stakeholder related phenomena.

The data analysis is oftentimes stated to be the most difficult and the least codified part of the case study process (Eisenhardt, 1989; Yin, 2003). In each case covered in this thesis, the data analysis was started with within case analysis. First, a detailed chronological case study description was created. The data were also content analyzed qualitatively according to the categories and dimensions that were generated based on the specific research problems of each individual study. Depending on the publication, the content analysis was conducted by using Excel or Atlas.ti. Typically, multiple rounds of coding were carried out. In the multiple case study designs, cross-case analysis was conducted to search for similarities and differences, i.e. cross-case patterns, between the cases (Eisenhardt, 1989). Tables and matrices were used to support the organization and analysis of the data.

Table 1 summarizes the research methods, sample, data collection and data analysis technique employed in each individual publication.

Table 1. Research methods used in individual publications

Publication	Research method	Sample	Data sources and data collection	Data	Analysis
Publication I	Single case study	<ul style="list-style-type: none"> A pulp mill project in Uruguay. The case featured a unique external stakeholder related conflict. The selection logic for the case was its unique nature. 	<ul style="list-style-type: none"> Over 100 newspaper articles in two Finnish financial periodicals during 2005-2007. Draft cumulative impact study of the mill. Two face-to-face interviews with company representatives in September 2007. 	<ul style="list-style-type: none"> Reported project stakeholder related incidents. Reported activities of stakeholders. Opinions and experience on the evolution of the conflict and its reasons. 	<ul style="list-style-type: none"> Within case analysis. Coding of project related important incidents with a special emphasis on stakeholder related incidents and stakeholder action. Identification of influence strategy patterns and their categorization according to the impact on stakeholder salience attributes.
Publication II	Single case study	<ul style="list-style-type: none"> A pulp mill project in Uruguay. The case featured external stakeholder related challenges. The selection logic for the case was its unique nature and the dynamics with regard to project lifecycle phases. 	<ul style="list-style-type: none"> Over 100 newspaper articles in two Finnish financial periodicals during 2005-2008. Draft cumulative impact study of the mill. Two face-to-face interviews with company representatives in September 2007. 	<ul style="list-style-type: none"> Reported stakeholder related incidents. Reported activities of stakeholders and project management and their occurrence during the project lifecycle. Opinions and experience on the evolution of the conflict and its reasons. 	<ul style="list-style-type: none"> Within case analysis. Case study serves in an illustrative role by illustrating the applicability of the developed theoretical propositions.
Publication III	Multiple case study	<ul style="list-style-type: none"> Four case projects that featured stakeholder related challenges and were implemented in emerging market context. One pulp mill investment project, one telecom turnkey project and two system delivery projects to industrial facilities. 	<ul style="list-style-type: none"> 35 semi-structured face-to-face interviews with project team representatives and with parent company's representatives between August 2007 and April 2008. Project related documentation. Newspaper articles on the pulp mill project. 	<ul style="list-style-type: none"> Background information concerning the organizations' overall project management processes. Descriptions of stakeholder related incidents and conflicts. Description of stakeholder management approaches. 	<ul style="list-style-type: none"> Within case analyses. Case descriptions including a timeline of the project events and stakeholder maps. Qualitative content analysis of transcribed interviews with an emphasis on stakeholder related incidents. Classification of incidents based on different dimensions. Identification of response strategy patterns. Cross-case pattern search.
Publication IV	Multiple case study	<ul style="list-style-type: none"> Four international project cases. Two turnkey and two system delivery projects. Diversity with regard to stakeholder analysis practices. 	<ul style="list-style-type: none"> 37 semi-structured face-to-face interviews during August 2007 - February 2009. Project related documentation. Observations in two lessons learned sessions. 	<ul style="list-style-type: none"> Description of stakeholder analysis practices. Project management teams' views on the nature of the external stakeholder environment and project management's approaches with regard to the environment. 	<ul style="list-style-type: none"> Within case analyses. Identification and categorization of different stakeholder analysis practices and approaches towards stakeholder environment. Cross-case analysis. Identification of different stakeholder analysis patterns and analysis of explanatory factors.
Publication V	Multiple case study	<ul style="list-style-type: none"> Three international project cases. One turnkey project, two system delivery projects. Diversity with regard to local stakeholder relationships. 	<ul style="list-style-type: none"> 26 semi-structured interviews during August 2007-February 2009. Project related documentation. Observations in two lessons learned sessions. 	<ul style="list-style-type: none"> Description of unexpected stakeholder related events and their management in the analyzed projects. Qualitative description of local stakeholder network in each project case. 	<ul style="list-style-type: none"> Within case analyses. Identification and coding of identified unexpected events Qualitative analysis of local stakeholders and relationships between stakeholders Cross-case analysis.

1.6 Structure of the thesis

This thesis consists of two parts: theoretical background and key findings (Part I), and individual publications (Part II). Part I consists of five chapters and presents the theoretical background and summarizes the key findings and contributions of the thesis. Chapter 1 is an introduction to the study that presents the background of the thesis, research objectives and research questions, research process and introduction to the research papers of the thesis, research methods and data, and structure of the thesis. Chapter 2 provides a literature review on key theoretical perspectives that are relevant to this study. Chapter 3 provides a summary of the results of individual publications. After that, Chapter 4 discusses the key contributions and limitations of this thesis. The first part is closed with Chapter 5, which includes suggestions for further research. The individual publications are presented in Part II.

2 Literature review

This literature review provides an overview of the key concepts and theoretical perspectives that are pertinent to the thesis. The main theoretical background of the thesis is stakeholder theory, which provides a solid starting point for understanding stakeholders' and management's behavior with regard to them (for extensive review and in-depth analysis of stakeholder theory see, for example, Donaldson and Preston, 1995; Friedman and Miles, 2006; Key, 1999). In addition, the thesis utilizes extant theoretical knowledge, developed in the field of project management, by focusing on project stakeholder and international project research. There are a number of other theoretical perspectives that could have been used more extensively as complementary theories in this thesis such as institutional theory, social movement theory or network theories. The rationale for selecting stakeholder theory is that it can be considered as a central perspective in the study of the behavior of external stakeholders and a focal project's management activities with regard to external stakeholders in the context of international projects.

Section 2.1 provides an introduction to the underlying assumptions and key concepts of stakeholder theory. Next, the focus shifts to presenting research on relevant theoretical perspectives that are used in the individual publications. Finally, the section is closed with a discussion of the limitations of the research that are relevant to this thesis. Section 2.2 focuses on project context and begins by positioning project stakeholder research in the project research field. The definitions of project stakeholders are then discussed and research on a focal project's stakeholder management activities and project stakeholder behavior are reviewed. After presenting and elaborating existing empirical project stakeholder research, the section is closed with a discussion of the limitations of project stakeholder research. Section 2.3 reviews literature on international projects and their management. Emphasis is especially placed on research that focuses on external stakeholder management. Finally, Section 2.4 summarizes the literature review and elaborates upon the research gaps addressed in this thesis. For a more in-depth review of the respective relevant research of the individual publications, see the theoretical reviews of the attached publications.

2.1 Stakeholder theory

2.1.1 Underlying assumptions

Pioneering work in the area of stakeholder management was provided by Freeman (1984) in a book entitled “Strategic Management: A Stakeholder Approach” where he introduced the idea that corporations have stakeholders and outlined the basic features of the stakeholder concept. Freeman, however, notes that, already Dill (1975), an early stakeholder scholar, extended the stakeholder concept beyond such groups as shareholders and customers. Since the publication of Freeman’s classic book, numerous other books and articles focusing on the stakeholder concept have been written (classic articles in the field include, among others, Donaldson and Preston, 1995; Frooman, 1999; Mitchell et al., 1997; Rowley, 1997). Increasingly, stakeholders have also been referred to in mainstream media and government communications, not just in academic texts (Friedman and Miles, 2002).

The stakeholder approach has been described as a powerful means of understanding the firm in its environment. This approach is intended to broaden the management’s vision of its roles and responsibilities beyond the profit maximization function and stakeholders identified in input-output models of the firm, to also include interests and claims of non-stockholding groups (Mitchell et al., 1997). Donaldson and Preston (1995) elaborated that the stakeholder model entails that all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits and that there is no pre-set priority of one set of interests and benefits over another. Consequently, stakeholder theory argues that in addition to stockholders there are other external constituencies involved, including communities, community groups, trade unions, trade associations, environmental groups, governmental bodies, associated corporations, prospective employees, prospective customers, and the public at large, that need to be taken into consideration. Figure 3 presents the conventional stakeholder model of an organization (Donaldson and Preston, 1995).

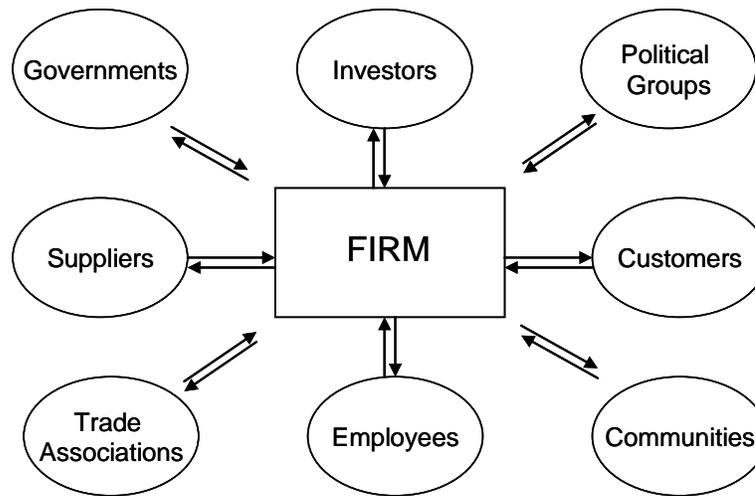


Figure 3. The stakeholder model of the corporation (Donaldson and Preston, 1995)

The basic idea of stakeholder theory is that the organization has relationships with many constituent groups and that it can engender and maintain the support of these groups by considering and balancing their relevant interests (Clarkson, 1998; Freeman 1984; Jones and Wicks, 1999). Jones and Wicks (1999) outline the basic premises of stakeholder theory as follows:

- The corporation has relationships with many constituent groups (“stakeholders”) that affect or are affected by its decisions (Freeman, 1984);
- The theory is concerned with the nature of these relationships in terms of both processes and outcomes for the firm and its stakeholders;
- The interests of all (legitimate) stakeholders have intrinsic value, and not one set of interests is assumed to dominate the others (Clarkson, 1995; Donaldson and Preston, 1995);
- The theory focuses on managerial decision making (Donaldson and Preston, 1995)

Overall, a central and original purpose of stakeholder theory is to enable managers to understand stakeholders and strategically manage them (Freeman, 1999). The managerial importance of stakeholder management has been accentuated in various studies (Carroll, 1991; Clarkson, 1995; Donaldson and Preston, 1995; Freeman, 1984; Jawahar and McLaughlin, 2001; Mitchell et al., 1997; Rowley and Moldoveanu, 2003; Savage et al., 1991) that demonstrate that just treatment of stakeholders is related to the long term survival of the organization.

While having its origins in strategic management, stakeholder theory has been applied to a number of fields and presented and used in a number of ways that are quite distinct and involve very different methodologies, concepts, types of evidence and criteria of evaluation (Donaldson and Preston, 1995). As the interest in the concept of stakeholders has grown, so has the proliferation of perspectives on the subject (Friedman and Miles, 2002). Donaldson and Preston (1995) have developed a well-known and debated taxonomy of stakeholder theory types in order to clarify the conceptual ambiguity in the field. They argue that stakeholder theory contains three different alternative aspects: descriptive/empirical, instrumental and normative.

Descriptive/empirical theory is used to describe and sometimes also to explain specific corporate characteristics and behaviors. Therefore, this aspect describes and explains how firms and their managers actually behave. Instrumental theory, in turn, identifies the connections between stakeholder management and a corporation's performance objectives, such as profitability and growth (Berman et al., 1999; Ogden and Watson, 1999). Therefore, this perspective tells us what happens if a stakeholder management approach is adopted. Recently, in particular, growing empirical literature has investigated the association between social and environmental consciousness and the profitability of companies (e.g. Ruf et al., 2001). Finally, normative theory is concerned with the identification of moral or philosophical guidelines for the management of corporations and describes what managers should do vis-à-vis dealing with stakeholders. In other words, this perspective focuses on the moral propriety of the behavior of corporations.

Donaldson and Preston's (1995) typology has also received criticism and alternative approaches have been presented (Kaler, 2003). Following the earlier work of Donaldson and Preston (1995), Jones and Wicks (1999) group research in stakeholder theory into two broad categories: 1) social science –based theory, including instrumental and descriptive/empirical approaches and 2) ethics –based theory, focusing on normative issues and linking stakeholders to corporate social responsibility and ethics discussion. They continue by suggesting convergent stakeholder theory, which combines normative and instrumental elements and demonstrates how managers can create morally sound approaches to business and make them work. Steuer (2006), in turn, divides stakeholder theory into three different perspectives: corporate, stakeholder and conceptual. Following Steuer (2006), the corporate perspective deals with how corporations manage stakeholders, the stakeholder perspective deals with how stakeholders try to influence

the organization and the conceptual perspective investigates how particular concepts such as common good or sustainability relate to business-stakeholder interactions.

2.1.2 The stakeholder concept

Prior stakeholder literature has presented various conceptualizations and definitions of stakeholders ranging from broad to narrow views. The most classic and rather broad definition of a stakeholder is the one provided by Freeman (1984): “A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 1984). This broad view is based on the acknowledgment and empirical reality that companies can indeed be vitally affected by, or vitally affect, almost anyone (Mitchell et al., 1997). Freeman’s definition is broad in the sense that it does not specify the stake or relationship that stakeholders have with the firm. Nor does the definition take a stance on whether the claims of the stakeholders are legitimate or not. However, Goodpaster (1991) has noted that Freeman’s definition actually implies two types of stakeholders: strategic and moral.

An early definition of stakeholders (Stanford memo, 1963) adopts an instrumental viewpoint and associates stakeholders with the survival of the firm, as stakeholders are “those groups without whose support the organization would cease to exist” (cited in Freeman, 1984). Therefore, this definition narrows stakeholders to those groups who are relevant in terms of the firm’s economic interests. Clarkson, in turn, (1994) defines stakeholders through risks, because he states that “voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm. Involuntary stakeholders are placed at risk as a result of a firm’s activities. But without the element of risk there is no stake”. Clarkson’s (1994) remarks of involuntary stakeholders implicitly denote that in order for one to be a stakeholder, a relationship with the firm does not have to be actual, but it can also be potential. In other words, a stakeholder might be influenced or is potentially a future influencer of an organization. Savage et al. (1991) define stakeholders by their interest and ability to influence the organization; according to the authors, stakeholders “have an interest in the actions of an organization and...the ability to influence it”. Brenner (1993) in turn emphasizes the legitimacy of stakeholder relationships in the stakeholder definition “having some legitimate, non-trivial relationship with an organization, such as exchange transactions, action impacts, and

moral responsibilities” (cited in Mitchell et al., 1997). This definition highlights the nature of relationships between stakeholders and the organization that Freeman’s (1984) definition does not take into account.

The relationships between stakeholders and the firms have also been defined either more broadly or more narrowly. Some stakeholder definitions narrow stakeholders to only those who are participants in exchange relationships (e.g. Hill and Jones, 1992). These views adopt a strategic perspective and accentuate the fact that companies have only limited resources and limited time that they can spend on dealing with their stakeholders. Therefore, it is in the interest of management to identify and pay attention to those stakeholders who have relevance on the company’s economic interests. Stakeholders can also be defined through their informal relationships and moral claims towards the organization. These views consider the development and sustainment of moral relationships with stakeholders as the firm’s responsibility. Therefore, such views resemble the ideas of corporate social responsibility and intersect with the ethics literature (Upchurch, 1998).

Prior literature has suggested a variety of different types of stakeholder categorization schemes. Savage et al. (1991) divide stakeholders into *claimants* and *influencers* and consider the potential of stakeholders to threaten or cooperate with the organization. Stakeholders can also be divided to *internal* and *external* stakeholders (Freeman, 1984; Eesley and Lenox, 2006). Internal stakeholders are, for example, employees, customers and stockholders, while examples of external stakeholders are community activists, media, advocacy groups and other nongovernmental organizations. Clarkson (1995) divides stakeholders into *primary* and *secondary* stakeholders. Secondary stakeholders are not directly associated with the focal organization because they lack a “formal contractual bond with the firm” or “direct legal authority” over the firm (Eesley and Lenox, 2006). In turn primary stakeholders, such as employees and customers, are in a direct association with the firm, engaged in transactions with the firm or have direct legal authority over the firm. This is the case, for example, for governmental organizations. There is a high level of interdependence between the corporation and its primary stakeholders. In turn, secondary stakeholders are not directly engaged with economic activity, but are still able to influence an organization (Clarkson, 1995; Savage et al., 1991). Moral and legitimate claims are often emphasized in connection with secondary stakeholders, as “the firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm” (Langtry, 1994) or “persons or groups with legitimate interests in

procedural and/or substantive aspects of corporate activity” (Donaldson and Preston, 1995). Stakeholders have also been divided into *strategic* and *moral* stakeholders. Strategic stakeholders are considered to be able to affect the firm. Therefore, the management of their interests is essential (Freeman, 1984). Moral stakeholders are those who are affected by the firm (Frooman, 1999). Frooman (1999) views stakeholders, as those who are either *resource providers* for the firm, or those who are *dependent* on the firm. In turn, Fassin (2009) criticizes earlier stakeholder conceptualizations and categorizations for ambiguity and suggests that a distinction should be made between *stakeholders*, *stakewatchers* and *stakekeepers*. In Fassin’s (2009) categorization stakeholders are those who have a concrete and real stake in a company. Stakewatchers, in turn, do not really have a stake themselves but they protect the interests of real stakeholders. Examples of stakewatchers are unions and community pressure groups. Finally, stakekeepers are the independent regulators who have no stake in the firm but have influence and control, such as governments, regulatory agencies and certification organizations.

2.1.3 Research on a focal organization’s stakeholder management activities

From the strategic management perspective, the primary question of stakeholder theory is which groups are stakeholders that deserve or require management attention, and which are not (Mitchell et al., 1997). This question concerns the attributes of stakeholders. Diverse lists, guidelines, identification frameworks and categorization schemes have been proposed by researchers to classify stakeholders (Agle et al., 1999; Mitchell et al., 1997; Preston and Sapienza, 1990; Savage et al., 1991). The primary purpose of the different frameworks is to support managers in identifying who are the stakeholders that may influence the organizations’ decision making, what types of claims they have, and how possible it is that stakeholders can forward their claim. Finally, based on the knowledge of important stakeholders and their capabilities and objectives, managers are able to develop strategic actions in order to manage stakeholders.

The most well-known work on stakeholder attributes and stakeholder categorization is Mitchell et al.’s (1997) stakeholder salience model, which explains the process of managerial decision making. The salience framework classifies stakeholders according to three dimensions: power, legitimacy and urgency. According to Mitchell et al. (1997) the three attributes determine “the

degree to which managers give priority to competing stakeholder claims in their decision making process”, i.e., how much and what type of attention stakeholders receive from management. Consequently, salience attributes are associated with the possibilities of stakeholders to take part in the management’s decision making processes. Mitchell et al.’s (1997) model has also been empirically tested by Agle et al. (1999). They found that, indeed, the stakeholder attributes of power, legitimacy and urgency are related to stakeholder salience in the eyes of the management. Yet, the salience framework proposed by Mitchell et al. (1997) has also received much criticism. The conceptualization of urgency has been especially questioned because it has received only little prior attention in the stakeholder literature (Frooman, 1999). Disagreement regarding legitimacy as an attribute has also been advocated. Among others, Banerjee (2007) has criticized the salience framework for being particularly problematic for marginalized groups, such as indigenous communities who are trying to negotiate their survival with corporations and governments. Following Banerjee (2007) this is because stakeholder legitimacy is a function of power relationships between different actors, and the rationality that determines the legitimacy of a stakeholder arises from corporate and economic values, not social. Jawahar and McLaughlin (2001) further note that Mitchell et al.’s (1997) framework does not actually address an issue that is central to stakeholder management: how an organization’s management deals with stakeholders who vary in terms of salience.

Several stakeholder scholars have proposed that focal organizations may adopt different strategies to manage stakeholder groups ranging from active to passive approaches. The strategies of proaction, accommodation, defense and reaction have been identified in prior literature (Carroll, 1979; Clarkson 1995). In turn, Wartick and Cochran (1985) used the concepts, reactive, defensive, accommodative and proactive, to characterize an organization’s strategy towards its stakeholders. Clarkson (1995) has developed the Reactive, Defensive, Accommodative, and Proactive (RDAP) scale to describe the strategies used by organizations to manage stakeholders and to evaluate corporate performance. According to the scholars, the strategy of proaction is an active strategy where anticipatory actions are important in addressing stakeholders’ concerns. The strategy of accommodation is more passive than proaction in dealing with stakeholder issues, whereas the defense strategy entails doing only the minimum with regard to legal aspects in terms of stakeholders. Finally, the reaction strategy is a strategy where a company is fighting against stakeholders’ demands or totally ignoring the stakeholders. Similar strategies have also been presented by Oliver (1991) in the field of institutional theory. Her work elaborates five different strategies that organizations have enacted as a response to

pressures coming from their institutional environment. Stakeholder pressures can be considered as an example of institutional pressures. The five strategies Oliver (1991) identifies are: acquiesce, compromise, avoid, defy and manipulate. Acquiescence may take alternative forms, including habit, imitation, and compliance. In turn, the compromise strategy includes balancing, pacifying and bargaining with external constituents. Avoidance is defined as “the organizational attempt to preclude the necessity of conformity”; organizations may conceal their nonconformity, buffer themselves from institutional pressures or escape the institutional rules and expectations. Oliver (1991) views defiance as an active form of resistance to institutional processes. It may appear in the form of dismissal, challenge or attack. Finally, the active manipulation strategy refers to the purposeful and opportunistic attempt to co-opt, influence or control institutional pressures and evaluations. Strategies for managing stakeholders from the focal organizations’ viewpoint have also been presented and discussed by e.g. Cummings and Doh (2000), Jawahar and McLaughlin, (2001) and Savage et al. (1991).

Prior stakeholder research has limitedly discussed different contextual factors that may explain and guide managerial behavior with regard to stakeholders beyond the attributes of stakeholders. Yet, some perspectives have been provided. Jawahar and McLaughlin (2001) develop descriptive stakeholder theory and adopt an organizational lifecycle approach towards stakeholder management. Their research shows how the lifecycle stage of an organization affects the importance of certain stakeholders for managerial decision making and proposes that the strategy an organization uses to deal with each stakeholder is dependent on the importance of that stakeholder to the organization relative to other stakeholders. There is also empirical evidence that some CEOs are more sensitive to the claims of external stakeholders than others due to the differences in managers’ personal values (Agle et al., 1999). The stakeholder orientations of CEOs and boards of directors and their influence on managerial behavior with regard to stakeholders have also been studied by, for example, Harrison and Fiet (1999) and Wang and Dewhirst (1992). Furthermore, Rowley’s (1997) pioneering work has proposed how the network of stakeholder relationships may actually influence a focal firm’s behavior with regard to stakeholders. He advocates that organizations do not respond to each stakeholder individually but to the interaction of multiple influences from the entire stakeholder network.

2.1.4 Research on stakeholder behavior

Only recently have stakeholder scholars started to investigate the strategic actions of stakeholders (Frooman, 1999; Frooman and Murrel, 2005). The existing research concerning stakeholder behavior concentrates mostly on identifying and describing the range of different ways stakeholders try to influence organizations or shape their salience (Frooman, 1999; Frooman and Murrel, 2005; Hendry, 2005). Scholars have also considered factors that influence the selection of certain influence strategies (Frooman and Murrel, 2005; Hendry, 2005).

The concept of stakeholder influence strategy is often used interchangeably with such concepts as ‘influence tactic’ (Hendry, 2005) and ‘activities’ (Rowley and Moldoveanu, 2003). Frooman (1999) discusses influence strategies as the “means” stakeholders use to get what they want and proposes that the nature of the resource relationship between the stakeholder and the firm determines what type of influence strategy will be used by each stakeholder. In his theoretical analysis, Frooman (1999) identifies four types of stakeholder influence strategies all based on the nature of resource relationships between stakeholders and the focal company. These strategies are: direct withholding, direct usage, indirect withholding and indirect usage. Withholding strategies are defined as those where the stakeholder ceases to provide a resource to a firm with the intention of making the firm change a certain behavior. For example, with a strike, workers can stop providing their work force for a project. Usage strategies in turn are such strategies in which the stakeholder continues to supply a resource, but with constraints attached to it. Stakeholders may employ direct strategies, such as manipulating the flow of resources to the firm, or indirect strategies, such as working through an ally who manipulates the flow of resources to the firm.

Hendry (2005) has tested Frooman’s (1999) propositions empirically by providing an account of different stakeholder influence strategies of four non-governmental organizations. In addition to the four influence strategies defined by Frooman (1999), Hendry (2005) brings up communication strategy as an important way of influencing a firm’s behavior. Further, she identifies different kinds of influence strategies used by stakeholder organizations, such as, allying with other stakeholders, multi-stakeholder dialogue, letter-writing campaign, blockade, boycott, litigation and lobbying legislators. In addition to identifying a range of different influence strategy types that stakeholders can use to advance their claim, Hendry’s (2005)

empirical analysis focuses on identifying different determinants of influence strategy selection. She reveals that the opportunity to use a particular strategy, stakeholder's experience or expertise of a particular influence strategy, potential alliances in support of a particular strategy and "bang for the buck" of a particular influence strategy are all important determinants that influence the stakeholder's influence strategy selection.

Prior research on the stakeholder side of the relationship has brought up some contextual factors that may explain stakeholder behavior. In addition to describing and examining the actual content of how stakeholders try to influence the organization and what factors explain the choice of certain influence strategies, attention has recently been devoted to examining such factors that actually initiate and increase the likelihood of stakeholder mobilization and action (Rowley and Moldoveanu, 2003). Rowley and Moldoveanu's (2003) work on stakeholder mobilization develops a theoretical model of stakeholder group action where the traditional interest-based action perspective is complemented with propositions concerning identity-based action. In turn, Rowley's (1997) work proposes an inter-organizational network perspective and advocates how the network positions of stakeholders may actually explain their behavior. In addition to Rowley (1997), Neville and Menguc (2006) have also considered the interactions between stakeholders and their implications to the strength of stakeholder influence. In turn, Jawahar and McLaughlin (2001) adopt an organizational lifecycle perspective and provide insight into how the organizational lifecycle stage may actually affect stakeholders' possibilities to influence managerial decision making.

2.1.5 Research in the field and limitations

Stakeholder research is a relatively young research area. Therefore, majority of the stakeholder research has focused on theoretical discussions about the concept of stakeholders and the nature of stakeholder theory (Donaldson and Preston, 1995; Frooman, 1999; Jones, 1995; Jones and Wicks, 1999; Kaler 2003; Mitchell et al., 1997; Rowley, 1997). The development of the theory has resulted in conceptual diffusion in the literature and to even a somewhat diverse set of definitions and perspectives. Stakeholder theory has also been applied widely in the study of diverse phenomena such as organizational leadership (Schneider, 2002), organizational identity (Scott and Lane, 2000), child labor (Kolk and van Tulder, 2002), management of quanxis in China (Su et al., 2006), organizational cultures (Jones et al., 2007), and hostile takeovers

(Hanly, 1992). In comparison, empirical research on stakeholder management has been sparse, but is slowly increasing. For example, Freeman and McVea (2001) have called for the application of the insights of stakeholder theory to real world problems instead of focusing purely on the development of the theory.

Much of the limited empirical research has adopted an instrumental perspective by addressing the relationship between stakeholder orientation and financial performance of the corporation (e.g. Ruf et al., 2001; Ogden and Watson; 1999). In turn, empirical research in the field of descriptive stakeholder research is limited. In particular, there is a notable lack of descriptive theory or research that describes how organizations interact with stakeholders in the extant stakeholder management literature (Berman et al., 1999; Jawahar and McLaughlin, 2001).

What has also been missing from much of the literature is the stakeholder side of stakeholder management, while the majority of the literature has adopted the perspective of the firm and focused on the development of different stakeholder identification and classification frameworks. Only scant attention has been devoted to understanding how stakeholders actually behave and are able to influence the management's decision making (Frooman, 1999; Frooman and Murrel, 2005; Hendry, 2005).

Finally, limited empirical research exists concerning the factors and mechanisms that may explain the behavior and interaction of stakeholders and a focal organization. Furthermore, Lamberg et al. (2008) point out that stakeholder research provides a rather static view of stakeholder management, neglecting, hence, the stakeholder dynamics. Potential fruitful perspectives for empirical studies include more detailed investigations on the impact of the stakeholder network structure on a focal firm's behaviors (Rowley, 1997), as well as, considerations about the influences of the lifecycle stage (Jawahar and McLaughlin, 2001) for stakeholders' and management's behavior.

2.2 Project stakeholder research

2.2.1 Positioning project stakeholder research in the field of project research

The management of project stakeholders is widely acknowledged as an essential part of project management and as a factor contributing to project success (Bourne, 2005; Bourne and Walker, 2005; Cleland, 1986, 1998; Karlsen, 2002; Morris and Hough, 1987; Olander and Landin, 2005). In turn, various studies have postulated that the inability of project managers to take into account the claims and influences from project stakeholders is a reason for project failure. The significance of stakeholder management is also accentuated in the definition of project management. For example, in Project Management Institute's contemporary project management standard "Project Management Body of Knowledge" (PMI, 2008) the management of a project is defined as follows: "Managing a project includes adapting the specifications, plans and approaches to different concerns and expectations of the various stakeholders". As is evident, the underlying assumption in the majority of project stakeholder literature is that efficient and effective execution of projects requires management to pay attention to stakeholders. However, even though project stakeholder management was introduced to the field of project management already in 1986 by Cleland, project management scholars (e.g. El-Gohary et al., 2006; Olander and Landin, 2005; Olander, 2007) have only recently truly realized the importance of stakeholder management and started to devote research efforts to it.

A few in-depth literature analyses and reviews have been presented concerning the extant project research (Artto and Kujala, 2008; Betts and Lansley, 1995; Evaristo and Fenema, 1999; Kolltveit et al., 2007; Packendorff, 1995; Pinto, 2002; Söderlund, 2004). While Betts and Lansley's analysis is focused on the first ten years of publications in *International Journal of Project Management*, Packendorff, Pinto, and Evaristo and Fenema, all provide more complete accounts, but tend to ignore inter-firm relationships in projects and multi-project issues (Söderlund, 2004). In turn, the reviews provided by Söderlund (2004), Artto and Kujala (2008), and Kolltveit et al. (2007), expand the review scope beyond the management of a single project and explicitly address stakeholder networks, multi-firm projects and multi-project issues that are considered as emerging research areas in the field of project research.

Both Artto and Kujala's (2008) and Söderlund's (2004) extensive reviews and analyses of the content of research on projects and program management accentuate that project research has recently been widening from the focus on traditional project management issues, such as planning and organization of the single project, to the politics, stakeholders, environments, as well as relationships between firms, i.e. inter-firm projects. Söderlund (2004) introduced a framework with the dimensions of single vs. multiple projects, and single vs. multiple firms, to analyze, categorize and position project management research. By introducing a framework of project business, Artto and Kujala (2008) review and describe literature from a managerial viewpoint and from the perspective of project business, while Söderlund's (2004) approach is focused on categorizing existing research without any normative elements. Artto et al. (2010) extend Söderlund's (2004) framework by arguing that any project may cross one or several firms' boundaries and business activities, and vice versa, any firm may cross one or several projects' boundaries and business activities. A framework of project business, developed by Artto and Kujala (2008), can be used to divide project research into four categories depending on whether management is concerned with a project, a project-based firm, a project network, or a business network. Figure 4 presents this division of research into the four different classes as presented in the framework of project business (Artto and Kujala, 2008).

	One firm	Many firms
One project	1. Management of a project	3. Management of a project network
Many projects	2. Management of a project-based firm	4. Management of a business network

Figure 4. Framework of project business (Artto and Kujala, 2008)

Naturally, phenomena related to project stakeholders can be researched with regard to all the cells in the framework of project business. Since the context of this thesis is international networked projects, involving multiple organizations, research on management of a project network (i.e., inter-firm project perspective in the framework) is the primary focus here. This is an area where academic research is still rather limited (Artto and Kujala, 2008; Evaristo and Fenema, 1999; Kolltveit et al., 2007; Söderlund, 2004). Management of a project network area relates to the management of the temporary project organization across multiple participating firms and other actors each of which have their own objectives, interests and expectations from the project. Artto and Kujala (2008) identify research on management of a project network as an emerging stream of research that focuses on projects undertaken by multiple firms that also include non-business organizations, often referred to as project networks (Ahola, 2009; Ahola et al., 2006; Eloranta, 2007; Hellgren and Stjernberg, 1995; Ruuska et al., 2009), temporary multi-organizations (Cherns and Bryant, 1984), project coalitions (Winch, 1989) or multi-organization enterprises (Grün, 2004). The importance of project stakeholder management can be considered to be especially emphasized in the context of inter-firm projects that are temporary constellations of multiple business and non-business organizations with differing objectives and goals (Artto and Kujala, 2008).

In their content analysis of textbooks and formal articles in the field of project management, Kolltveit et al. (2007) found six dominant perspectives that are applied in the project management literature: the task perspective, the leadership perspective, the systems perspective, the stakeholder perspective, the transaction cost perspective and the business-by-projects perspective. According to Kolltveit et al. (2007), the stakeholder perspective highlights the effective management of relationships between a project and its key stakeholders in order to ensure project success. The analysis shows that key discourses covered in this perspective include stakeholders, communication, negotiation, relationships, influence and dependence. Following the analysis, diverse underlying theoretical perspectives have been applied to the stakeholder perspective in the field of project management. Kolltveit et al. (2007) find the agency theory as dominant, as well as the theory of power and resource. Furthermore, industrial network theory, which focuses on how a network affects the actors involved and their relationships, is identified as a relevant theoretical perspective. Surprisingly enough, Kolltveit et al. (2007) do not recognize stakeholder theory at all as a theoretical perspective applied in project stakeholder management research. The findings of Kolltveit et al. (2007) also reveal that there are substantial differences in emphasis on the six perspectives in the project management

research. According to their research, the modest number of observations related to the stakeholder perspective is unexpected. In their conclusion, Kolltveit et al. (2007) suggests that stakeholder perspective should be given more research attention in the future.

In addition to Kolltveit et al. (2007), Achterkamp and Vos (2008) have conducted a meta-analysis of project management literature and focused in particular on the use of the stakeholder notion within it. Their primary observation is that the research in the field is highly limited and that only a minority of the publications provides a clear definition of stakeholders and addresses their identification. Consequently, there are only a handful of publications that focus specifically on the management of stakeholders within projects. However, the stakeholder concept is more often taken into account and examined as a relevant contextual or complementary factor in the research of other project management areas. Through a literature analysis of articles published in *International Journal of Project Management* and *Project Management Journal* during 1983-2009, six distinct literature areas, which discuss project stakeholders in one form or other, emerge: project management process, project success, IT project management, change projects, risk management, and program management. Table 2 summarizes the existing project research that addresses project stakeholders as an important contextual factor.

Table 2. Project research addressing stakeholders as a contextual factor

Identified research area	Studies	Major themes
Project management processes	Alderman et al., 2005; Callan et al., 2006; Consoli, 2006; Dinsmore, 1990; Hsu and Yeo, 1996; Kolltveit and Gronhaug, 2004; Milosevic, 1989; Morton, 1983; Pratim Ghosh and Chandy Varghese, 2004 ; Sohail et al., 2002; Wright, 1997.	Project management practices, team building and the role of stakeholders in it, importance of the early project phases, project lifecycle.
Project success	Agarwal and Rathod, 2006; Atkinson, 1999; Bryde and Robinson, 2005; Crawford and Bryce, 2003; Diallo and Thuillier, 2004; Diallo and Thuillier, 2005; Wang et al., 2006; de Wit, 1988; Youker, 1992; Yu et al., 2005.	Stakeholder management as a success criteria, success factors, stakeholders' perspectives on project success.
IT project management	Boonstra, 2006; Fowler and Walsh, 1999; Geddes, 1990; Remenyi and Sherwood-Smith, 1998; Wang et al., 2007; Wateridge, 1998.	Focus on internal stakeholders, conflicting perceptions of stakeholders, stakeholder analysis in ERP projects.
Change projects	Boddy and Paton, 2004; Olsson, 2006; Thiry, 2001; Winter et al., 2006	Focus on internal stakeholders, stakeholder management practices in change projects.
Risk management	Farrel, 2003; Kutsch and Hall, 2005; Shen et al., 2006; Yeo and Tiong, 2000.	Public-private project partnership projects, build-operate-transfer projects, principal-agency risk in project finance, stakeholders as one source of uncertainty.
Program management	Lycett et al., 2004; Pellegrinelli et al., 2007; Thiry, 2004.	Program management context, program management practices.

2.2.2 The concept of a project stakeholder

Originally Cleland (1986) introduced the strategic stakeholder management perspective and notion of stakeholders in the field of project management. His work and definitions followed the ideas and conceptualizations provided by Freeman (1984). Figure 5 illustrates the project stakeholder model presented by Cleland (1986).

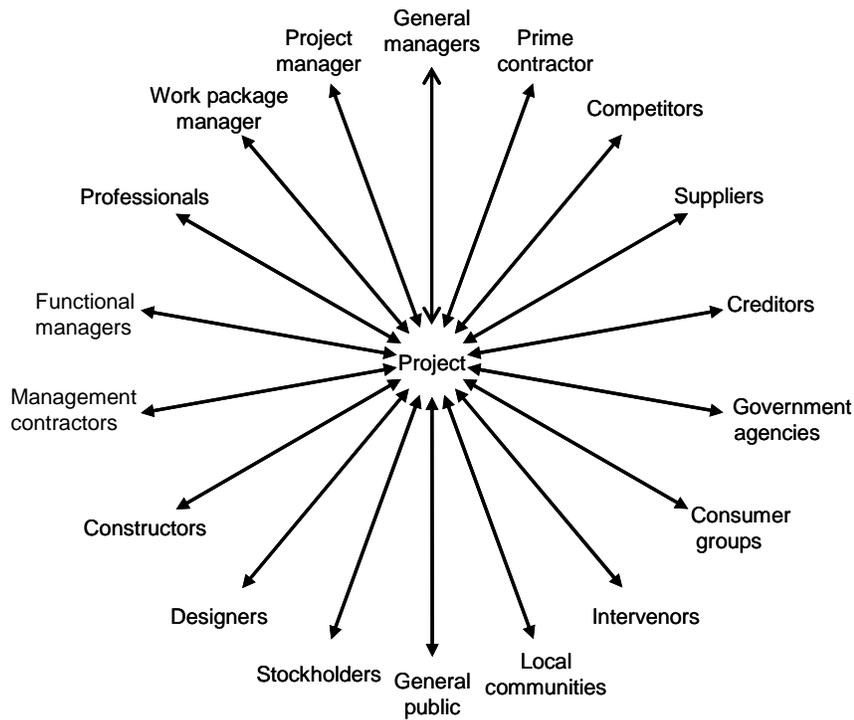


Figure 5. Project stakeholder model (Cleland, 1986)

After Cleland's (1986) work, various definitions and categorization attempts of stakeholders have been presented in the existing project management literature ranging from broad to narrow views. Many of the definitions follow the notions in the stakeholder management literature, but are applied to the project context. Table 3 summarizes the existing definitions for stakeholders in the field of project management (chronological order).

Table 3. Project stakeholder definitions

Authors	Project stakeholder definition
Cleland (1986)	“Individuals and institutions that share a stake or an interest in the project.”
Cleland (1998)	“People or groups that have, or believe they have, legitimate claims against the substantive aspects of the project. A stake is an interest or share or claim in a project; it can range from informal interest in the undertaking, at one extreme, to a legal claim or ownership at the other extreme.”
Turner (1999)	“All the people or groups whose lives or environment is affected by the project but who receive no direct benefit from it. These can include families, people made redundant and local community actors.”
McElroy and Mills (2003)	“Person or group of people who have a vested interest in the success of a project and the environment within which the project operates.”
Newcombe (2003)	“Groups or individuals who have a stake in, or expectation of, the project’s performance and include clients, project managers, designers, subcontractors, suppliers, funding bodies, users and the community at large.”
Boddy and Paton (2004)	“Stakeholders are individuals, groups or institutions with an interest in the project, and who can affect the outcome.”
Kolltveit and Gronhaug (2004)	“Individuals and/or organizations that are involved in or may be affected by the project activities, e.g. the project client, project sponsor, project manager and the employees involved in the project.”
Cova and Salle (2005)	“Project marketing thinks of stakeholders from the standpoint of “markets as networks”, i.e. stressing the relationship between stakeholders rather than the players themselves.”
Bourne and Walker (2005)	“Individuals or groups who have an interest or some aspect of rights or ownership in the project, and can contribute to, or be impacted by, the outcomes of the project.”
Bryde and Robinson (2005)	“People or organizations who have a vested interest in the environment, performance and/or outcome of the project.”
Boonstra (2006)	“Any person or group who can affect or is affected by the change [brought by the project]. “
El-Gohary et al. (2006)	“Individuals and organizations that are either affected by or affect the development of the project.”
Olander (2007)	“A person or group of people who has a vested interest in the success of a project and the environment within which the project operates. Vested interest is defined as having possession of one or more of the stakeholder attributes of power, legitimacy or urgency (adapted from Mitchell et al, 1997).”
IFC (2007)	“Persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively.”
Fraser and Zhu (2008)	“Individuals and groups affected by their actions and behaviors”
Chinyioe and Akintoye (2008)	“Individuals or groups with an interest in and influence on an organization (adapted from Thompson, 2002).”
PMI (2008)	“Individuals and organizations that are actively involved in the project or whose interests may be affected as a result of project execution or project completion.”
Walker et al. (2008)	“Individuals or groups who have an interest or some aspect of rights or ownership in the project, and can contribute to, or be impacted by, either the work or the outcomes of the project.”
Ward and Chapman (2008)	“Various parties who may affect the form, progress and outcomes of a project.”

The definitions presented above can be roughly divided into three subclasses. The first subclass of the found project stakeholder definitions accentuates the fact that project stakeholders can affect or are affected by the project (Boonstra, 2006; El-Gohary et al., 2006; Fraser and Zhu, 2008; Kolltveit and Gronhaug, 2004; PMI, 2008; Turner, 1999; Ward and Chapman, 2008). Thus, the definitions closely follow the rather broad definition provided by Freeman (1984) of a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. These definitions suffer from the fact that they broadly entail that almost all groups or individuals can be interpreted as stakeholders. Some of the definitions in the first subclass address either only the fact that stakeholders can affect the project outcomes (Ward and Chapman, 2008) or the fact that stakeholders are affected by the project (Fraser and Zhu, 2008; Turner, 1999). The second subclass of definitions provides a narrower stakeholder definition in the sense that it highlights the interests or stakes of project stakeholders with regard to the project (Bryde and Robinson, 2005; Chinyioe and Akintoye, 2008; Cleland, 1986; Cleland, 1998; McElroy and Mills, 2003; Newcombe, 2003; Olander, 2007). The definitions in this subclass differ, however, with regard to how the interest or stake is defined. Cleland (1998) defines stakeholders’ claims through their objective or perceived legitimacy and provides, therefore, a rather narrow definition of project stakeholders. In turn, Bourne and Walker (2005) and Walker et al. (2008) do not limit the nature of the claim or interest to legitimacy, but provide a broader definition by conceptualizing stakeholders as “individuals or groups who have an interest or some aspect of rights or ownership in the project”. Olander (2007) follows Mitchell et al.’s (1997) stakeholder salience framework and defines the interest through the possession of one or more of the stakeholder attributes of power, legitimacy and urgency. The third subclass of definitions combines both the interest perspective and the fact that stakeholders can affect or be affected by the project (Boddy and Paton, 2004; Bourne and Walker, 2005; IFC, 2007; Walker et al., 2008).

In general, the analysis of project stakeholder definitions indicates rather broad approaches to project stakeholders in comparison to some of the narrower definitions provided in the general stakeholder literature. For example, the majority of the project stakeholder definitions do not tend to problematize or limit the nature of interest to moral or legitimate claims. In addition, only a few definitions (Bourne and Walker, 2005; Cleland, 1998; Walker et al., 2008) attempt to specify and take a stance towards the nature of relationship between the project and the stakeholder. The narrow definition provided by Turner (1999) is distinctive in the sense that it implies that project stakeholders are only those “who are affected by the project but receive no

direct benefit from it". This definition contradicts the majority of the other definitions, because it does not include those individuals or groups who are actively involved in the project as stakeholders.

Overall, the analysis of project stakeholder definitions provides a rather homogenous picture of the concept: in all of the definitions, except in one by Ward and Chapman (2008), project stakeholders are identified, as both individuals/persons and as groups/organizations. However, there is variation with regard to how explicitly the definitions specify the scope of stakeholder influence and interest. Definitions range with regard to those who can affect or are impacted by 1) the outcomes of the project (Boddy and Paton, 2004; Bourne and Walker, 2005; Walker et al., 2008), 2) project execution or completion (PMI, 2008), 3) the project itself (IFC, 2007; Turner, 1999), 4) the change brought about by the project (Boonstra, 2006), 5) development of the project (El-Gohary et al., 2006), 6) project activities or actions (Fraser and Zhu, 2008; Kolltveit and Gronhaug, 2004), and 7) form, progress and outcomes of a project (Ward and Chapman, 2008). Stakeholders have also been noted to have interest or a stake in 1) the project's performance or outcome (Bryde and Robinson, 2005; IFC, 2007; Newcombe, 2003; Walker et al., 2008), 2) the project itself (Bourne and Walker, 2005; Cleland, 1986), 3) substantive aspects of the project (Cleland, 1998), and 4) the success of a project (McElroy and Mills, 2003; Olander, 2007).

Project management scholars have categorized stakeholders in a variety of ways. Most prominent in the literature are categorizations based on stakeholders' involvement in the project and the nature of their relationship with the project, the nature of stakeholders' claim and position towards the project, the stakeholders' role in the project, and the degree to which stakeholders' behavior can be anticipated.

Internal stakeholders are "the stakeholders who are formally members of the project coalition and hence usually support the project" (Winch, 2004). The concept of internal stakeholders is oftentimes used analogously with the concepts of primary stakeholders (Cleland, 1998) or business actors (Cova and Salle, 2005) in contemporary project management literature. Such stakeholders have a formal, official, or contractual relationship with the organization (Winch, 2004) or are directly involved in an organization's decision making processes (Atkin and Skitmore, 2008). Examples of internal stakeholders are clients, sponsors, contractors, and

suppliers. *External* stakeholders are not formal members of the project coalition, but may affect or be affected by the project. Such groups are often referred to as non-business stakeholders or secondary stakeholders (Cova and Salle, 2005). External stakeholders can be further broken down into private and public actors (Winch, 2004). Examples of private actors are local residents, local landowners, environmentalist and conservationists; examples of public actors are regulatory agencies, local governments and national governments. Therefore, external stakeholders may have a direct legal authority over the project. Yet, there exists conceptual disagreement among project management scholars with regard to the division between internal and external stakeholders. For example, Olander and Landin (2005, 2007) consider internal stakeholders as those who are actively involved in the project execution and external stakeholders as those who are only affected by the project. Thus, their definition of internal stakeholders also includes authorities. Atkin and Skitmore (2008), in turn, define as external stakeholders those affected by an organization's activities in a significant way. Consequently, these categorizations do not include such groups that can affect the project as external stakeholders. Ward and Chapman (2008) define internal stakeholders as project owners in the sense that they have overall managerial responsibility and power in the project. They postulate that internal stakeholders usually have a financial stake in the project or are in a contractual relationship with the project owner. According to Ward and Chapman (2008) all other stakeholders are external stakeholders who may seek to influence the project through political lobbying, regulation, campaigning or direct action. As mentioned above, some project management scholars regard internal stakeholders to be equivalent to primary stakeholders and external stakeholders to be equivalent to secondary stakeholders (Remenyi and Sherwood-Smith, 1998; Winch, 2004). In these perspectives, the categorization of entities that have legal authority over the project, for example authorities, government and competition authorities, becomes problematic, as they are considered to be secondary stakeholders. This logic is not in line with stakeholder research, which classifies those who have legal authority over the corporation as primary stakeholders (Clarkson, 1994).

Project stakeholders can also be divided into those who *promote* the project and those who *oppose* it (Winch, 2004). McElroy and Mills (2003) propose a more fine-grained model with five different levels of stakeholder position towards the project: active opposition, passive opposition, noncommittal, passive support and active support. These positions towards the project ultimately determine the impact of each stakeholder on the project's decision making. Mathur et al. (2008) distinguish between those scholars that view stakeholders as claimants and those who

view them as influencers. Olander (2007), however, postulates that this distinction is problematic because it implies that the media would not be classed as a stakeholder despite having the potential ability to significantly affect a project's activities and performance.

In addition, stakeholder categorizations in project management literature include the division of stakeholders according to their *functional role* in a project, such as client, contractor, customers, sponsors, local community members, NGOs, media, lobbying organizations, and government agencies (Cova et al., 2002). For example, Tikkanen and Lindblom (1998) divide project actors into *business actors* including (e.g. suppliers, buyers and consultants), *community actors* including (e.g. non-governmental and not-for-profit-organizations), and *government actors* including (e.g. ministries, universities and research units). Rowlinson and Cheung (2008) build on Walker et al. (2008) and divide stakeholders into classes of *upstream stakeholders* (paying customers and end users), *downstream stakeholders* (suppliers and subcontractors), *external stakeholders* (general community and independent concerned parties), *invisible stakeholders*, who engage with the project team in delivering the ultimate project benefit but whose cooperation is vital for project success, and *project stakeholder group* (project sponsor or champion and project delivery team). The role perspective, denoting that stakeholders can be classified on the basis of the role(s) they are playing, has also been brought up by Vos and Achterkamp (2006) in the innovation project context.

More recently, Moodley al. (2008) have adopted a contract-based approach and categorized stakeholders according to the extent to which their behavior in the project can be anticipated. They divide stakeholders into *explicit stakeholders* (such as financiers, partners, owners, sponsors and equity holders) *implicit stakeholders* (such as regulators, 1st tier suppliers, staff, and users) *implicitly recognized stakeholders* (such as community 2nd tier suppliers, government, local government, relevant NGOs, and unions) and *unknown stakeholders* (such as interest groups, 3rd tier suppliers, trade associations, public, and overseas regulators).

In comparison to stakeholder categorizations in the field of stakeholder research (presented in Section 2.1.2), the perspective of classifying stakeholders according to the morality of their claims seems to be missing from the project management literature. Following Smyth (2008), the legitimacy of the stakeholder or the claim, in addition to ethical considerations and motivations behind the interests, are rarely considered in the project management literature.

Based on the above discussion, Table 4 summarizes the typical organizational level stakeholder categorizations that can be found in the project management literature.

Table 4. Project stakeholder categorizations in project stakeholder literature

Stakeholder categorizations	Definition and similar concepts	Examples of groups
Categorization based on stakeholders' involvement and the nature of the relationship with the project		
Internal stakeholders	<ul style="list-style-type: none"> ▪ Stakeholders who are formally members of the project coalition and have a formal, official, or contractual relationship with the organization (Winch, 2004) ▪ Those who are actively involved in the project execution (Olander and Landin, 2005) ▪ Primary stakeholders (Cleland, 1998) ▪ Business actors (Cova and Salle, 2005) 	<ul style="list-style-type: none"> ▪ Owners, users, client, project managers, facilities managers, designers, subcontractors, suppliers, process and service providers, banks, insurance companies (Newcombe, 2003; Smith and Love, 2004; Winch, 2004), shareholders, financiers, employees.
External stakeholders	<ul style="list-style-type: none"> ▪ Not formal members of the project coalition, but may affect or be affected by the project (Winch, 2004) ▪ Secondary stakeholders (Cleland, 1998) ▪ Non-business actors (Cova and Salle, 2005) 	<ul style="list-style-type: none"> ▪ Local communities, local government, potential users, regulators, environment groups, the media (Ward and Chapman, 2008), legal authorities, community representatives, general public, government establishments, regional development agencies (Bourne and Walker, 2005; Newcombe, 2003), non-governmental organizations, universities, research institutes, land owners, city councils, central government departments and agencies, local residents, indigenous and aboriginal groups, environmentalists, labor unions, the environment, communities, political groups, activist groups, unions, trade associations, competitors, consumer advocacy groups, employees' families.
Categorization based on stakeholders' claim or position towards the project		
Promoters and opponents	<ul style="list-style-type: none"> ▪ Those who support and promote the project (Winch, 2004) ▪ Those who oppose the project (Winch, 2004) ▪ Active opposition, passive opposition, not committed, passive support and active support (McEllroy and Mills, 2003) ▪ Claimants and influencers (Mathur et al., 2008) 	<ul style="list-style-type: none"> ▪ Internal stakeholders are typically classified as project promoters. ▪ Typically community representatives, general public, local residents, environmentalists, indigenous and aboriginal groups are presented as opposing groups.

Stakeholder categorizations	Definition and similar concepts	Examples of groups
Categorization based on stakeholders' role in the project		
Categorization based on the functional role (Cova et al., 2002; Tikkanen and Lindblom, 1998) or informal role stakeholders are playing (Vos and Achterkamp, 2006)	<ul style="list-style-type: none"> ▪ Categorization based on the functional position of the stakeholders ▪ Business actors, community actors, government actors (Tikkanen and Lindblom, 1998) ▪ Upstream stakeholders, downstream stakeholders, external stakeholders, invisible stakeholders, project stakeholder group (Rowlinson and Cheung, 2008) 	<ul style="list-style-type: none"> ▪ Client, contractor, customers, sponsors, suppliers, local community members, NGOs, media, lobbying organizations, government agencies.
Categorization based on the extent to which stakeholders' behavior can be anticipated		
Explicit stakeholders, implicit stakeholders, implicitly recognized stakeholders, unknown stakeholders (Moodley et al., 2008)	<ul style="list-style-type: none"> ▪ Categorization based on the contract-based stakeholder approach ▪ Explicit stakeholders are stakeholders that have a formal contract with the project ▪ Implicit stakeholders are stakeholders that have implicitly recognized contracts with the project ▪ Implicitly recognized stakeholders are stakeholders with implicitly unrecognized contracts ▪ Unknown stakeholders are stakeholders whose role is difficult to evaluate 	<ul style="list-style-type: none"> ▪ Explicit stakeholders: financiers, partners, owners sponsors and equity holders. ▪ Implicit stakeholders: regulators, 1st tier suppliers, staff, users. ▪ Implicitly recognized stakeholders: community, 2nd tier suppliers, government, local government, relevant NGOs and unions. ▪ Unknown stakeholders: interest groups, 3rd tier suppliers, trade associations, public and overseas regulators.

2.2.3 Research on a focal project's stakeholder management activities

Since Cleland (1986) brought the stakeholder concept into the project management field, knowledge on how to manage stakeholders has been slowly increasing. Today, the management of project stakeholders can be considered as an established and recognized area both in the contemporary standard documents of project management (APM, 2006; PMI, 2008), as well as, as a research field, even though there is only little research focusing primarily on project stakeholders and their management (Achterkamp and Vos, 2008; Yang et al., 2009).

Prior research on a focal project's stakeholder management activities can be roughly divided into two discourses that adopt a rather static perspective on a project's behaviors. First, extant research has focused on demonstrating and articulating the managerial importance of stakeholder management and examining the role and value of stakeholder management process (e.g. Bourne, 2005; Cleland, 1986; Cleland, 1995; Cleland, 1998; Olander and Landin, 2005). Second, the majority of the research on managerial behavior with regard to project stakeholders has adopted a practice-oriented view and focused on the conceptual development of different managerial frameworks, tools and processes to identify, categorize and manage project stakeholders (see Table 5).

The contemporary standard documents of project management represent an application of the stakeholder management tools that have been developed and processes pertinent to the project management context (APM, 2006; PMI, 2008). For example, in Project Management Body of Knowledge (PMI, 2008), project stakeholder management is defined as "the systematic identification, analysis and planning of actions to communicate with, negotiate and influence stakeholders". In PMI's standard, the communication perspective on stakeholder management is especially highlighted, since, according to the standard, stakeholder management especially refers to managing communications used to satisfy the needs of, and resolve issues, with project stakeholders. In turn, McElroy and Mills (2003) conceptualize project stakeholder management as "the continuing development of relationships with stakeholders for the purpose of achieving a successful project outcome". More recently, variation with regard to the concept of stakeholder management has emerged: the terms stakeholder engagement (IFC, 2007) and stakeholder involvement (El-Gohary et al., 2006) have appeared as synonyms for the concept of stakeholder management. For example, International Finance Corporation's guidelines (IFC, 2007) use the

concept of stakeholder engagement instead of stakeholder management as an umbrella term encompassing eight activities over the project lifecycle: stakeholder identification and analysis, information disclosure, stakeholder consultation, negotiation and partnerships, grievance management, stakeholder involvement in project monitoring, reporting to stakeholders and management functions.

In addition to different frameworks and tools used to categorize stakeholders, various project stakeholder management process models have been suggested in the prior literature. Yang et al. (2009) suggest that the research on the stakeholder management process has centralized on two related conceptual streams: 1) identifying project stakeholders, including identifying the stakeholder boundary, assessing the commitment and interests of stakeholders, and diagnosing their potential performances and 2) analyzing different types of stakeholder relationships, explaining how stakeholders react to conflict and formulating strategies based on this analysis. However, in many of the project stakeholder management process frameworks these two related streams are not differentiated. Originally Cleland (1986) divided the project stakeholder management process into stakeholder identification, classification, analysis, and formulation of a management approach. In turn, based on a survey among project managers in Norway, Karlsen (2002) described a six-stage project stakeholder management process that included initial planning, identification, analysis, communication, action and follow-up.

A number of scholars highlight the relevance of the stakeholder analysis process as an important element of stakeholder management and treat stakeholder management and analysis process as nearly equivalent functions (Jepsen and Eskerod, 2009). Current literature (Karlsen, 2002; McElroy and Mills, 2003) suggests that the following activities should be included in stakeholder analysis: identification of stakeholders, characterization and classification of stakeholders and decisions about which strategy to use to influence each stakeholder. As a result of stakeholder analysis, project managers should be able to determine how to interact with and manage each stakeholder.

Table 5 summarizes the majority of the conceptual research regarding project stakeholder management activities. It presents managerial tools and frameworks, related to stakeholder management, and links them with different stakeholder analysis process phases.

Table 5. Stakeholder analysis process phase and corresponding analysis methods

Project stakeholder analysis process phase	Methods related to different stakeholder analysis process phases
Data collection concerning project stakeholders and their characteristics	<ul style="list-style-type: none"> ▪ Face-to-face interviews (Varvasovszky and Brugha, 2000) ▪ Snowball interview technique (Cova et al., 1996) ▪ Generic stakeholder lists (Pouloudi and Whitley, 1997) ▪ Brainstorming (Achterkamp and Vos, 2008; Calvert, 1995) ▪ Surveys and semi-structured questionnaires (Cova et al., 1996; Karlsen, 2002) ▪ Start up dialogue (IFC, 2007) ▪ Special reports (IFC, 2007) ▪ Delphi technique (Orndorff, 2005) ▪ Lessons learned reports (El-Gohary et al., 2006) ▪ Workshops, personal surveys, focus group discussions, public meetings, public hearings (El-Gohary et al., 2006)
Stakeholder identification and classification	<ul style="list-style-type: none"> ▪ Cleland's model (1986): identify stakeholders and their interest, measure the interest, try to predict stakeholders' future behavior ▪ Stakeholder salience model (Mitchell et al., 1997), classification based on power, legitimacy and urgency ▪ Stakeholder group categorization (Winch, 2004): opponents and proponents ▪ Power/interest matrix (Johnson and Scholes, 1999; Olander and Landin, 2005) ▪ Vested interest-impact index (Bourne and Walker, 2005) ▪ Stakeholder mapping (Winch and Bonke, 2002) ▪ Role –based stakeholder models (Achterkamp and Vos, 2008; Vos and Achterkamp, 2006) ▪ Outline tool (Andersen et al., 2004): area of interest, contributions, expectations, power, management strategy ▪ Stakeholder commitment matrix (McElroy and Mills, 2003) ▪ Stakeholder Circle, a tool for measuring and visualizing stakeholder influence (Bourne and Walker, 2006) ▪ Stakeholder impact index (Olander, 2007) ▪ Application of uncertainty management framework, SHAMPU (Ward and Chapman, 2008) ▪ Stakeholder ethical responsibility matrix, SERM (Moodley et al., 2008)
Formulation of stakeholder management strategy based on the results of stakeholder identification and classification	<ul style="list-style-type: none"> ▪ Communication and information dissemination strategies (PMI, 2008) ▪ Stakeholder empowerment (Rowlinson and Cheung, 2008) ▪ Stakeholder engagement process (Bourne and Walker, 2006; IFC, 2007) ▪ Stakeholder involvement process (El-Gohary et al., 2006) ▪ Keep satisfied, manage closely, monitor, keep informed (Olander and Landin, 2005)

Table 5 demonstrates that prior research concerning project stakeholder management has largely been concerned with the conceptual development of different pragmatically oriented stakeholder management tools and frameworks. However, more recently, concerns have been expressed about the existing project stakeholder management processes and tools supporting it. Yang et al.

(2009) suggest that problems exist in the methods and tools used to identify all stakeholders and their interests. They advocate that the question of which methods are more effective and practical for identifying project stakeholders and their interests, especially when a large project with multiple participants and complex relationships is concerned, is still not answered. Vos and Achterkamp (2006) have also questioned the fairness and validity of managers' choices with regard to stakeholders. In turn, Jepsen and Eskerod (2009) found that current stakeholder analysis guidelines lack clarity regarding how to identify stakeholders, determine their importance, and reveal their expectations. Furthermore, concerns have been expressed concerning the capabilities of project managers and the conventional stakeholder management frameworks, in general, to identify external stakeholders (Flyvbjerg et al., 2003).

Despite the criticism presented for existing managerial stakeholder management processes and tools, only few studies have actually empirically described the employed activities and behaviors of a focal project with regard to stakeholders. For example, the managerial responses to the influences of stakeholders have deserved only scant research attention. Furthermore, different contextual factors present in projects that may guide a project's behaviors with regard to stakeholder influences have received only scant attention. For instance, even though the importance of mastering the stakeholder management process throughout the continuously evolving project lifecycle is shared in much of the existing literature (Cleland, 1995; Flyvbjerg et al., 2003; IFC 2007), the majority of the stakeholder management process guidelines tend to focus on the use of stakeholder management techniques only during the early implementation stages of the project (Jepsen and Eskerod, 2009; Kolltveit and Gronhaug, 2004). Consequently, a wider and more holistic view on the active stakeholder management process throughout the project lifecycle should be adopted.

2.2.4 Research on project stakeholder behavior

The understanding of the strategic actions of project stakeholders and factors influencing them in the field of project management is undeveloped. Even though the importance of the stakeholder side of relationship is acknowledged in project research (Yang et al., 2009), only a few scholars (Olander and Landin, 2005; Olander, 2007) have discussed the issue of stakeholder behavior and described the different means through which stakeholders try to influence the project.

Despite the underdevelopment of the theory concerning project stakeholder behavior, an analysis on what research does exist on project stakeholder management can reveal some assumptions and central premises concerning project stakeholder behavior. First, Miller and Lessard's (2000) findings from the large engineering projects report that over 40% of the 60 studied projects faced extensive community opposition and were subject to external turbulence due to opponent stakeholder behavior. In addition, empirical project case descriptions (e.g. Grün, 2004; Morris and Hough, 1987; Olander and Landin, 2005) demonstrate how stakeholders' opposing behavior, such as demonstrations and letter-writing campaigns may impact the project by threatening its existence. Second, extant research seems to share an idea that stakeholder behavior is oftentimes unexpected and unforeseen –something that cannot be predicted beforehand despite the best efforts toward stakeholder and risk management. For example, Floricel and Miller (2001), Miller and Hobbs (2002), Orr (2005), Söderholm (2008), and Ward and Chapman (2008) have elaborated upon the idea of unexpectedness and the relevance of uncertainty management with regard to stakeholder behavior. In addition, Moodley et al.'s (2008) stakeholder categorizations label unknown stakeholders, such as interest groups, as an entity whose behavior is difficult to predict. However, the majority of extant research on uncertainty management concerning stakeholder behavior is focused on internal project stakeholders, such as customers or suppliers. Third, much of the existing research seems to classify external stakeholders, such as local citizens, community groups and environmentalists to those stakeholder groups who oppose the project and that need to be convinced of the project's worth. In the same research, internal stakeholder behavior is typically considered as supportive towards the project (Winch, 2004). Finally, Kolltveit and Gronhaug (2004) postulate that the potential influence of stakeholders, especially the external stakeholders, is highest during the early phase of the project, before detailed plans are confirmed and the cost of making changes is still moderate.

The above description of research on project stakeholder behavior in the field of project management does not provide descriptive theoretical models concerning how stakeholders try to influence the project. Thus, little is known concerning, for example, how these stakeholders react to conflict or try to advance their interests. Indeed, a lot more theorizing and empirical research is still needed in order to build a richer understanding of project stakeholder behavior and contextual factors that may affect it.

2.2.5 Empirical project stakeholder research

Project stakeholder management research has been criticized for the lack of empirical research (Achterkamp and Vos, 2008; Yang et al., 2009) even though the general interest in conducting empirical studies has been slowly increasing during the recent years. Table 6 provides a summary on the most relevant existing empirical research in the field of project stakeholder research.

Table 6. Empirical project stakeholder research

Study	Type of approach	Objectives and theoretical perspective	Empirical data	Main findings	Stakeholder focus	Industry context
Newcombe, 2003	Explores the concept of stakeholders as multiple “clients” for construction project and uses stakeholder mapping to analyze the nature and influence of various stakeholders on a major construction project.	Demonstrates the importance of conducting stakeholder analysis and utilizing stakeholder mapping tools such as power/interest matrix.	A qualitative analysis of a major construction project in UK, an in-depth interview with the project manager	The paper suggests a stakeholder view on projects and argues that the concept of client is obsolete and replaced by the reality of project stakeholders. Extends the stakeholder mapping of projects to cover external stakeholders.	Focus primarily on internal stakeholders.	Construction industry.
Olander and Landin, 2005	Discusses how the problem of managing stakeholders presents itself in construction industry through the application of power/interest –matrix.	Strategic stakeholder management perspective. Illustrates the use of the power/interest matrix to identify stakeholders who can influence a project.	2 case projects in construction industry, a housing project and a railroad project. Interviews with various stakeholders in the project.	Applies power-interest matrix in the analysis of the cases in the different stages of the project implementation. Provides insights on the dynamism of project stakeholder management.	Focuses in particular on the influences of external stakeholders.	Construction industry in Sweden.
El-Gohary et al., 2006	Presents key concepts and the process of stakeholder involvement.	Presents a semantic model and taxonomy of stakeholder involvement in public private partnership projects. Strategic stakeholder management perspective.	1 transit improvement project where the model was tested.	The semantic model of stakeholder involvement consists of five main entities: processes, products, constraints, actors, resources.	Particular focus in the management of external stakeholders such as the public.	Public private partnership infrastructure projects.
Olander, 2007	Presents a method for project stakeholder analysis from stakeholder perspective.	Develops a tool, stakeholder impact index, for comprehensive stakeholder analysis that can help project managers in planning and evaluating the stakeholder management process. Utilizes Mitchell et al.’s (1997) salience framework.	3 case projects in construction industry, 2 housing projects and a railroad project. Interviews with various stakeholders in the project.	Suggests the use of the developed stakeholder impact index as a planning and evaluation tool in projects. Stakeholder impact index determines the nature and impact of stakeholder influence, the probability of stakeholders using their influence, and each stakeholder’s position in relation to the project.	Particular focus on external stakeholders such as the municipality, the national government, residents in the vicinity, interest groups for senior citizens, the media.	Construction industry in Sweden.

Study	Type of approach	Objectives and theoretical perspective	Empirical data	Main findings	Stakeholder focus	Industry context
Olander and Landin, 2007	Identifies and shows the factors affecting external stakeholder management process positively or negatively from the perspective of project implementation.	Strategic management perspective, descriptive but presents recommendations.	Qualitative analysis of two railway projects, interviews and documents.	Five factors identified as explanations for the differences in the outcomes of the stakeholder management process: 1) analysis of stakeholder concerns and needs, 2) communication of benefits and negative impacts, 3) evaluations of alternative solutions, 4) project organizations, 5) media relations.	External stakeholders.	Construction industry, a comparative study of two railway projects.
Chinyio and Akintoye, 2008	Presents principles for managing stakeholders in the context of UK construction projects.	Objective in identifying effective stakeholder management practice. Draws from practice.	Qualitative research that examined the practice of stakeholder management with 12 UK companies in the construction sector. Interviews primary source of data.	Several overarching approaches for managing construction stakeholders effectively identified: the systematic approach, top-level support, being proactive, maintaining existing relationships, responding to power-interest dynamism.	Primary focus on the stakeholder management practice of internal stakeholders such as clients, contractors, consultants.	Construction industry.
Rowlinson and Cheung, 2008	Builds a model of stakeholder management process which utilizes the concepts of empowerment and engagement to explain how a relationship management approach can generate both a sense of group empowerment and project satisfaction.	Investigates the relationship management process in real estate and construction projects in Hong Kong and Australia, to identify good practice in the management of stakeholders and to develop a framework within which to compare and contrast stakeholder management practices in Hong Kong with Australia. Strong emphasis on relationship management literature.	Semi-structured interview and a survey.	Presents an emergent model of stakeholder management which identifies project contextual factors, perceptions, empowerment and relationship management processes as determinants of project success.	Focus primarily on internal stakeholders.	Real estate and construction projects.
Walker et al., 2008	Presents the development and use of two stakeholder visualization tools (Stakeholder Circle and Organizational Zoo tools).	The main research question: how can stakeholder behaviors be modeled and/or analyzed to help project teams visualize abstract threats or opportunities in a meaningful and graphic way.	Presents empirical illustrations on the use of the developed tools.	Presents ways to improve stakeholder identification and engagement through the use of the two tools.	Focus primarily on internal stakeholders.	Infrastructure and IT projects.

The analyses made in the empirical research demonstrate a strong focus on the development of stakeholder management tools and the illustration of their use in the selected case projects. For example, Newcombe (2003) analyzed a major construction project in UK in order to demonstrate the importance of stakeholder analysis and utilized stakeholder mapping tools, such as power/interest matrix in this process. Olander and Landin (2005) also apply the power-interest matrix to study how the problem of managing stakeholders presents itself in two construction case projects, while Walker et al. (2008) present the use of two developed stakeholder visualization tools. Olander's (2007) study on three construction projects develops a tool for stakeholder analysis from stakeholder perspective and is one of the few empirical studies that adopts a project stakeholder perspective.

In addition to the development and application of single tools, also the development of different stakeholder management processes and the demonstration of their benefits has motivated empirical research. El-Gohary et al. (2006) develop a semantic model of the stakeholder involvement process and apply it to an infrastructure project. Chinyio and Akintoye (2008) present principles for managing stakeholders in the context of UK construction projects. They discover that the systematic approach, top-level support, being proactive, maintaining existing relationships and responding to power-interest dynamism are dimensions of effective stakeholder management. Also Rowlinson and Cheung (2008) discuss the good practices of stakeholder management and develop a model of stakeholder management, which identifies a project's contextual factors, perceptions, empowerment and relationship management processes as determinants of project success. Finally, through a qualitative analysis of two railway projects, Olander and Landin (2007) discover factors that affect external stakeholder management process positively or negatively: these are the analysis of stakeholder concerns and needs, communication of benefits and negative impacts, evaluations of alternative solutions, project organizations, and media relations.

The analysis of the extant empirical research reveals that almost all of the empirical studies apply a qualitative case study approach and are conducted in the construction industry context. Apart from Olander and Landin's (2005; 2007) and El-Gohary et al.'s (2006) work that concentrates specifically on external stakeholders, the empirical studies tend to center around the management of internal stakeholders. Finally, the majority of the work in the field has adopted a utilitarian standpoint by identifying the most effective stakeholder management practices through the study of selected cases or by developing a stakeholder management

framework and testing it in real projects. Consequently, not much of the work actually focuses on characterizing the actual real-life actions of firms and stakeholder groups as they interact.

2.2.6 Research in the field and limitations

Considering the importance of stakeholder management in the management of projects, the research area has received only scant attention. Based on the conducted literature review, the following notions regarding the limitations of prior research and avenues for future research can be made.

First, even though there is a solid theoretical base of stakeholder theory, its ideas and theoretical frameworks are limitedly applied in the project stakeholder research. Studies that are based strongly on stakeholder theory and theoretical frameworks developed within that field are uncommon. Therefore, project stakeholder research can be argued to lack theoretical rigor. To give an example, the central classification framework, stakeholder salience model by Mitchell et al. (1997) has been applied to a limited extent in the context of project stakeholder research (Achterkamp and Vos, 2008). While general stakeholder research seems to be focused on theoretical discussions about the concept of stakeholders and the nature of stakeholder theory, conceptual ambiguity and a lack of theoretical base are prevalent in project stakeholder research. For example, the definitions regarding external stakeholders and secondary stakeholders are still conceptually blurred. Consequently, various possibilities to apply the ideas of stakeholder theory in the context of project stakeholder management exist.

Second, the central premises and assumptions regarding the positions and beliefs on who can be viewed as valid stakeholders are not often clearly articulated in the studies. The literature analysis shows that the majority of project stakeholder research shares the idea that stakeholder management is done in order to benefit the project and that project managers have limited resources and should therefore allocate these resources in such a way that they achieve the best possible results. Following the categorization of stakeholder theory by Donaldson and Preston (1995), the central premise in project stakeholder management is primarily utilitarian in its nature and built largely on instrumental premises. Not until recently have the ethics based approaches appeared (Mathur et al., 2008; Moodley et al., 2008; Smyth, 2008). On the whole, the mainstream approach in project stakeholder management is to effectively manage

stakeholders in alignment with project interests, meeting profit through project objectives, while achieving a net increase in societal welfare or regarding ethical validity of stakeholders' claims are dismissed (Smyth, 2008). Similarly, Mathur et al. (2008) highlight the evolving discourses on stakeholder engagement, sustainability and its assessment; they note that existing practices view stakeholder engagement mainly from a management's perspective and less often from an ethical perspective.

Third, the majority of the prior research with regard to a focal project's stakeholder management activities is focused on the conceptual development of normative stakeholder management tools and classification frameworks. However, the value and use of these tools and frameworks is rarely examined in a real life context. In particular, descriptive research and empirical examinations of a focal project's strategic actions towards stakeholder influences, and factors that may influence these behaviors have not been extensively considered in prior literature.

Fourth, as the project's perspective dominates the research, what is also missing from the literature is the project stakeholder side of stakeholder management. Actually, only scant attention has been devoted to understanding how project stakeholders try to influence the project management's decision making.

Fifth, prior research has a strong emphasis on the management of internal project stakeholders. At the same time, the management of external stakeholders has received only little attention. This is possibly due to the highlighted importance and legitimacy of internal project stakeholders in the field of project management. However, due to the rising ethics and sustainability issues, the strategic importance of external project stakeholder management will increase in the near future. What also becomes clear from the literature analysis is that the construction sector is strongly represented as an industry context in previous research. Therefore, considering other industry contexts would potentially provide a richer understanding of project stakeholder related phenomena.

Sixth, even though scholars have identified that different contextual factors may influence the behavior of stakeholders and a focal project, previous project stakeholder research has addressed these factors only to a limited extent. Although some research has brought up the

importance of project lifecycle phase, only a few studies explicitly address the implications of project lifecycle phase to stakeholder related phenomena. In addition, despite the fact that many modern day projects are implemented in a networked setting of different organizations, project stakeholder research concentrates primarily on the dyadic relationships between individual stakeholders and the focal project. Consequently, more research is required that adopts a network perspective on stakeholder behavior and a focal project's responses to stakeholder influences.

2.3 Research on international projects

2.3.1 The concept and characteristics of an international project

Due to the increasing trend for globalization and outsourcing, almost all modern day projects involve participants from more than one country. Köster (2009) identifies the search for new geographical presence, increase of global market share, market power, global political power and effectiveness, realization of efficiency gains, access to unique resources, and reduction of risk as the main drivers of today's international projects. In project management literature, international projects are treated as a special kind of project that involves elevated levels of risk and uncertainty. In traditional projects, a large majority of the team members are working for the same organization and in a single location (Binder, 2007) while international projects typically include people located across country borders. Following Turner (1999), international projects are those that involve parties from two or more countries. Various closely related concepts that fall into the category of international projects have appeared in the literature, such as: multinational projects (Ochieng and Price, 2010), international development projects (Ahsan and Gunawan, 2010; Diallo and Thuillier, 2004; Diallo and Thuillier, 2005), overseas projects (Han et al, 2008), multicultural projects (Mäkilouko, 2004; Ochieng and Price, 2010) or global projects (Binder, 2007; Mahalingam, 2005; Orr, 2005; Orr and Scott, 2008). All the definitions highlight different distinctive features of international projects, but their central premise is that they deal with projects that reach beyond national boundaries, in terms of the project purpose or the nationality of actors participating in the project (Köster, 2009). On the other hand, the relationships and the differences between the different definitions do not appear clear in previous literature. For example, the terms international and multicultural or multinational are used oftentimes synonymously (Köster, 2009). In addition, while some authors treat

international projects as a subgroup of global projects (Orr, 2005) others consider the taxonomy the other way round. According to Binder (2007), global projects are a novel project category that can be defined as a combination of virtual and international projects, which includes people from different organizations working in various countries across the globe.

Research on international projects often addresses the question of how distinctive international projects are from a “standard project”. As a result, various models and frameworks for categorizing and evaluating the level of complexity of international projects have been proposed. Turner (1999) suggests that international projects may be divided into different classes according to the position of the focal project organization and the host country of the project. These classes include projects that are: 1) conducted in the home country of the focal project organization for a foreign client, 2) conducted in the home country of the focal project organization using foreign contractors, 3) conducted in a foreign country for which the focal organization is a client, 4) conducted for a foreign client in their country in which the focal organization is a contractor, 5) conducted in a country for clients also alien to the country, and 6) multinational joint ventures. In turn, Binder (2007) proposes the use of the following dimensions to evaluate the complexity of global projects: 1) number of distant locations, 2) number of different organizations, 3) country cultures, 4) different languages and 5) time zones. The suggested dimensions aptly summarize some key challenges that tend to be accentuated in international projects in contrast to traditional projects. The dimensions also relate to the distance between the project members, cultural issues, communication issues and the project’s interaction with its local environment. Köster (2009) argues that the differences between international projects and standard projects relate to the purpose, scope, main stakeholders and the risk intensity of projects.

A characteristic often highlighted in the context of international projects is their complex organizational set-up, with a multitude of interfaces and a large number of stakeholders involved (Binder, 2007; Miller and Lessard, 2000; Orr, 2005). Increasingly, international projects are implemented as project networks that involve multiple business and non-business stakeholder organizations with differing objectives, goals, management processes and decision making behavior. Indeed, a multi-firm network is a typical organizational arrangement also in global projects, which are large and complex and implemented in highly turbulent and demanding institutional contexts (Orr, 2005). However, not until recently, has the international project’s interaction with its external stakeholders and wider socio-political environment drawn

increasing scholarly attention (Floricel and Miller, 2001; Flyvbjerg et al., 2003; Grün, 2004; Miller and Lessard, 2000; Miller and Lessard, 2001).

2.3.2 Research on management of international projects

The body of literature dealing with international projects is broad and entails a lot of research in diverse contexts and from diverse perspectives. Overall, the context of the studied projects ranges from international engineering projects to global organizational change projects and from arms, energy, power, and transportation to nuclear projects. Research that deals directly with specific aspects of international projects has also been conducted under the labels of multinational projects (Ochieng and Price, 2010), international development projects (Ahsan and Gunawan, 2010; Diallo and Thuillier, 2004; Diallo and Thuillier, 2005) overseas projects (Han et al., 2008), multicultural projects (Mäkilouko, 2004; Ochieng and Price, 2009) or global projects (Binder, 2007; Mahalingam, 2005; Orr, 2005; Orr and Scott, 2008).

Based on an in-depth literature analysis, research on international projects' management can be divided into four discourses that address, to a certain extent, different managerial challenges in international projects. First, a research stream that has focused on performance and risk issues concerning international projects can be identified. This stream of research with strong traditions adopts a rather technically oriented "control and planning approach" to projects. Moreover, it centers around developing new types of systems to be better able to control the outcomes of international projects. Second, more recently, research on international projects has started considering the implications of cultures and diversity to the management of international projects. Third, the stream of research dealing with the management of the front-end of projects, namely that of project marketing, has strongly highlighted the international and networked aspects of projects. Finally, research on the management of large projects contributes to the research on international projects, since the empirical studies in the field often address the international dimensions of projects. In the following, the relevant content of the four international project management research streams are reviewed.

Control and planning research

Much of the work on international projects has centered on performance issues and risks in international projects. Already in the 1980s and 1990s, Purtell (1982) and Arditi and Gutierrez (1991) conducted studies on an international construction project's risk factors. More recently, for example, Aleshin's (2001) study on risk management of 16 international projects in Russia has identified, classified and assessed risks that are inherent to joint projects in the Russian context. Diallo and Thuillier (2004, 2005) have, in turn, identified the success dimensions of international development projects and studied the role of communication and cooperation between stakeholders in particular. Ahsan and Gunawan (2010) analyze cost and schedule issues in 100 international development projects and identify the main reasons for poor project outcome. A proactive schedule management system to the management of deviations of industrial projects in developing countries has been suggested by Alsakini et al. (2004). In turn, Dikmen et al. (2007) have investigated cost overrun risk in international construction projects and proposed a fuzzy risk assessment methodology that supports construction companies in assessing the level of risk related to their international projects. Han et al. (2008) start with the premise that overseas construction projects have a high possibility of failure compared to domestic projects due to the fact that such projects are exposed to more diverse and complex risks than domestic projects. Their study reviews basic decision making processes in global construction projects and proposes a www-based decision support system for international project risk management.

Cross-cultural research

During the 1990s and 2000s project scholars have increasingly examined various cultural phenomena in the context of international projects. This research stream has been inspired by Hofstede's (1984, 1991) pioneering research on cultural differences, which many studies still use as their starting point. For example, Ochieng and Price (2010) examine multiculturalism by focusing on cross-cultural communication in multicultural construction project teams. Suggestions on how communication can be made effective in multicultural project environments are provided. The creation and development of effective cross-cultural collectivism, trust, communication and empathy in leadership are found to be critical components of building multicultural project teams. The role of national culture and its impact

on project management process has also been studied, for example, by Shore and Cross (2005) in the context of large-scale international science projects. Mäkilouko (2004) has also focused on multicultural projects and especially on the leadership styles of Finnish project managers. Egginton (1996) studies the process of forming a multi-national consortium to deliver a large international project and points out various problems of the forming process, as well as a set of guidelines by which the process could be smoothed.

International project marketing research

International aspects are strongly present in the research contributions of the International Network for Project Marketing and Systems Selling (INPM) that emphasizes the connection between business relationships of individual projects and the wider environment in which project marketing takes place. This research stream, which focuses on the front-end of industrial projects, links project research strongly with research on international business (Günter and Bonaccorsi, 1996; Hadjickani, 1996). Research emphasis in the field has focused on the management of multi-firm project networks and the business relationships between actors in the buying and selling firms of industrial projects (Skaates and Tikkanen, 2003). However, the external project environment has also received attention from project marketing scholars. For example, Ghauri (1983) has demonstrated the importance of external interlocutors such as state authorities, subcontractors and financial institutions in projects. Furthermore, Cova et al.'s (1996) research on project milieus highlights the complex nature of the project environment in which heterogeneous actors are related to one another within a given territory. The set of rules and norms, socio-cultural, institutional and political elements that regulate interactions between the actors in the milieu have been studied especially in international contexts (Cova et al., 2002, Cova and Salle, 2005).

Large projects research

The extant stream of literature on large, giant, major or megaprojects (e.g. Flyvbjerg et al., 2003; Grün, 2004; Miller and Lessard, 2000; Morris and Hough, 1987) contributes to the study of international projects, since the empirical studies in the field often deal with international aspects of projects. A widely shared assumption among scholars is that a remarkable number of large projects have been failures with regard to the objectives that were set when the investment

decision was made (Flyvbjerg et al., 2003; Grün, 2004; Morris and Hough, 1987). Flyvbjerg et al. (2003) point out that not only do large projects have strikingly poor performance records in terms of economy, but also with regard to environment and public support. Generally, the themes addressing and elaborating risks and success issues dominate in large projects research (Ruuska et al., 2009).

The research in the 1980s on transnational and international large projects dealt primarily with large international construction projects and focused on a project's internal issues, such as the control and planning techniques (e.g. Jaafari, 1984). The work of Peter Morris and his associates on major projects proposed a new perspective for project management (Morris 1994; Morris and Hough, 1987) by making the observation that externalities, institutions and strategic issues in major projects require other types of approaches than procedural project management. Morris's and Hough's work can be seen pioneering in the sense that it widened the scope of study from a project's internal issues to project-environment interaction and highlighted the importance of understanding local institutions, stakeholders and socio-political environment in the management of large projects. Among others, their study on The Channel Tunnel involves observations related to the international nature of the project that involved both French and British participants. In the 2000s the research on large projects has strongly shifted to the study of institutions, risks, governance frameworks and stakeholders (Flyvbjerg et al., 2003; Grün, 2004; Miller and Lessard, 2000). Miller and Lessard (2000) summarize results of the IMEC research program that was initiated to understand the changes that were occurring in the set-ups and environments of large international engineering projects. Altogether sixty large international engineering projects were studied in a range of sectors and the results of the large-scale study identify the unique challenges and opportunities present in these projects. Special attention is placed on the strategic and systemic perspectives by focusing on the strategic front-end phase of the projects and on the governability of the entire project system. The international dimension is particularly highlighted in the observations of the local institutional frameworks, regulatory, institutional and political risks and unexpected changes in exogenous factors, such as radical social and political changes.

Flyvbjerg et al.'s (2003) research on megaprojects and their risks draws attention to the weaknesses in the conventional approach to megaproject development and provides guidelines for accountable megaproject decision making through the case studies of the Channel Tunnel, the Great Belt Link, and the Oeresund link. The role of civil society and public involvement is

especially emphasized. Grün (2004) focuses in his analysis on the management of giant projects that involve multiple organizations, which he names multi-organization enterprises (MOEs). According to Grün, MOEs are “large-scale undertakings which may involve huge numbers of employees from different organizations and other participants”. They require the common effort and funds of more than one project owner and are, hence multi-organizations. The primary challenge that the project management of MOEs encounters is the problem of matching the interests of all project participants.

2.3.3 Stakeholders in research on international projects

The management of stakeholders is central in the management of international projects that have large economic, social and cultural impacts. As international projects are being developed and executed by coalitions of organizations (Artto and Kujala, 2008; DeFilippi and Arthur, 1998; Floricel and Miller, 2001; Grün, 2004; Hellgren and Stjernberg, 1995; Newcombe, 2003; Ruuska et al., 2009; Söderlund, 2004), grouping a number of firms and non-business organizations, the importance of stakeholder management becomes paramount. However, with regard to the crucial role that stakeholders play in international projects, they have received only limited attention in the prior literature on international projects and their management. Some evidence on stakeholder behavior, a focal project’s strategic actions with regard to stakeholders and contextual factors affecting the behaviors can, however, be found –primarily, from the empirical illustrations in the research on large projects.

The inter-organizational nature of international projects has drawn attention to the alignment of goals and objectives among internal project stakeholders through different governance arrangements. This topic has been a popular research subject in the literature on large projects since the 1980s. For example, Morris and Hough’s (1987) research on the anatomy of major projects places special emphasis on the alignment of goals between the project participants. The notion that project organizations operate with a system of multiple and often conflicting objectives (Newcombe, 2003) is based on the “shifting multi-goal coalition” idea, originally proposed by Cyert and March (1963). With regard to inter-organizational project networks, for example, Jones et al. (1997) have discussed the network form of governance in project-based industries, Ruuska et al. (2009) have explored the distance in a network of multiple firms in the context of Olkiluoto nuclear power plant, Owusu (2006) has investigated the collective

capabilities in a project network and Ahola (2009) has examined the implementation efficiency in project networks. In turn, Miller and Hobbs (2002) discovered that project structures that involve many participants in networks of interdependent relations are more vulnerable to exogenous emergent risks related to stakeholder behavior.

However, until today, the research concerning stakeholders in international project networks has primarily focused on inter-organizational relationships and governance arrangements between internal project stakeholders. Since international projects are typically implemented in turbulent, uncertain and challenging institutional environments, the management of external stakeholders becomes especially crucial (Morris and Hough, 1987). Yet, according to Morris (1982) most project management literature deals only with tactical and strategic levels of management and there is actually little in the literature dealing with such issues as relations with the media, local and federal government, regulatory agencies, and lobbyists and community groups. Despite Morris' pioneering observations on project-environment interaction, not until recently has the international project's interaction with its external stakeholders and wider socio-political environment drawn increasing scholarly attention (Florice and Miller, 2001; Flyvbjerg et al., 2003, Grün, 2004; Miller and Lessard, 2000; Miller and Lessard, 2001). For example, Miller and Lessard's (2000) findings from the large engineering projects report that over 40% of the 60 projects studied faced extensive community opposition and were subject to external turbulence. According to the study, infrastructure projects are especially vulnerable to emergent risks from external stakeholder groups because of their physical and social visibility. The research by Florice and Miller (2001), Miller and Hobbs (2002), Ward and Chapman (2008) has also confirmed that emergent risks in international projects often stem from the project environment: hence, they are exogenous and mostly stakeholder originated. Today, the majority of the relevant literature shares the view that the influences of the socio-political environment and, particularly those from external stakeholders, decrease the predictability of the outcomes of international projects (Grün, 2004; Miller and Lessard, 2000; Söderholm, 2008).

Studies presenting different project lifecycle models (Hellgren and Stjernberg, 1995; Miller and Lessard, 2000; Morris, 1982) typically discuss the impact of different project lifecycle stages on the dynamic patterns of international projects. In these considerations, project stakeholder behavior and management is occasionally discussed. With regard to project lifecycle models and management from a stakeholder perspective, prior studies have especially emphasized the importance and critical nature of the early project phases in impacting project success

(Flyvbjerg et al., 2003; Kolltveit and Gronhaug, 2004; Miller and Lessard, 2000). Kolltveit and Gronhaug (2004) argue that the potential influence of stakeholders, particularly of the external stakeholders, is highest in the early project phase, before detailed plans are confirmed and while the cost of making changes is still moderate. Therefore, various negotiations with diverse stakeholder groups should take place in this phase, of which the most important ones, according to Miller and Hobbs (2002), are negotiations with regulatory agencies and political representatives that can support in the modifying efforts of the institutional framework. Consequently, deploying proactive cooptation strategies by bringing affected parties and pressure groups into the project development and approval process is considered as an effective mean to support the project implementation (Flyvbjerg et al., 2003; IFC, 2007; Miller and Hobbs, 2002; Olander and Landin, 2005). Yet, the difficulty may rise from the fact that in the early phases it is often impossible to identify all the potential stakeholders and their actions that could pose a threat to the project during its lifecycle. For example, Flyvbjerg et al. (2003) present empirical evidence that, in conventional megaproject development, concerns related to the external effects of projects are not typically addressed until later in the project lifecycle. This may lead to the destabilization of projects as issues surface that need to go through public hearings or need formal approval by authorities, at a stage when the possibility for making changes is diminished. Flyvbjerg et al. (2003) further advocate that in practice negatively affected stakeholder groups and the general public are involved only to a limited extent and at a late phase of the project cycle. Even though the research on project lifecycle acknowledges that external stakeholder influences and behavior may vary over different stages of the project lifecycle (Ward and Chapman, 2008), this issue has not been considered in detail in previous literature. Furthermore, the perspective of the lifecycle model is mainly the perspective of a project, while stakeholders' orientations, interpretations and perspective to the project lifecycle have been studied only to a limited extent.

2.3.4 Research in the field and limitations

The management challenges in international projects are various and multifaceted. As the literature analysis demonstrates, research in the area of international projects is fragmented into many different research streams. In addition to traditional, technically-oriented project planning and control approaches, recent research has started addressing challenges that rise because

international projects involve various stakeholders with diverse socio-cultural backgrounds and are implemented in institutionally challenging environments.

As is evident based on the literature analysis, the literature on international projects acknowledges the relevance of stakeholder management. However, the majority of the research has focused on the management and governance schemes concerning internal project stakeholders. This is understandable, since the idea that the project's inner life is influenced by its external environment has not been widely shared among project scholars. Actually, in early project research, a project was seen as a highly isolated entity separated from its context. During this period, the dominant theories of project management were based on a closed system approach, which treated projects as an independent phenomenon and ignored the influence of external factors (Engwall, 2003).

From the perspective of this thesis, however, the open system approach is most relevant: today, there is an increasing tendency for external stakeholder groups to try to affect the implementation of international projects. Consequently, the risk of exogenous events coming from the project's external stakeholder environment has risen. Furthermore, international projects have become more complex with regard to their project network structures. The complexity of the project network system with many interdependent components complicates the management of external stakeholders even more and may create new types of stakeholder risks. Therefore, it is evident that there is a need for more research on the role of external stakeholders in international projects. In particular, research that adopts an inter-organizational network perspective on external stakeholders and considers the stakeholder influences beyond dyadic stakeholder relationships is still rare. Furthermore, empirical research in the context of private projects is required, because it would contribute to the research in a field that is dominated by the study of public projects.

International project research that deals with the management during the different phases of the project, acknowledges the importance of the early phases in the management of external stakeholders. However, in practice, it has been found that the project management tends to ignore external stakeholders, as well as the environmental and social effects of projects during project development (Flyvbjerg et al., 2003). Therefore, more research is needed on the realities

of real life projects, in which the identification of external stakeholders is often not that straightforward during the early phases of the project.

To conclude, research on external stakeholder management in international projects contributes to various bodies of research concerned with the management of international projects. Overall, understanding the behavior of external project stakeholders increases our understanding of the management of the project dynamics that may result from the interventions of the external stakeholder environment.

2.4 Conclusions of the literature review and suggested areas for future research

International projects involve various stakeholders with diverse demands and requirements whose claims need to be understood, balanced and managed in the project decision making to ensure project success. Given the central role of stakeholders in project management, there are many limitations in the restricted number of prior studies on project stakeholders that were discussed in the literature review of this thesis.

While research on project stakeholders and their management has focused primarily on the development of practically oriented normative stakeholder management tools and frameworks, the utilization of the established theoretical base of stakeholder theory has been rather limited. Furthermore, little descriptive theory or empirical research exists on stakeholder behavior and a focal project's stakeholder management activities in the extant project stakeholder management literature. In addition, the focus of prior studies has been on internal stakeholders, while research on stakeholders in the project's external environment has been almost completely ignored. Consequently, by drawing from stakeholder theory, the main objective of this thesis is to contribute to project stakeholder research by bringing new valuable information and theoretical understanding of how external project stakeholders try to influence the project and how a focal project tries to manage external stakeholders in the context of international projects. Furthermore, selected contextual factors that are seen to potentially influence the behaviors of stakeholders and a focal project are examined. In addition to contributing to project stakeholder research, research on the subject is seen to contribute to stakeholder research and research on

international projects by providing empirically grounded evidence on the actual behavior and management of external stakeholders and on the dynamic nature of these processes.

The literature review identifies a need for enhanced understanding on the stakeholder side of stakeholder management. Publications I and II address this research gap by focusing on different types of project stakeholder influence strategies and on the association of the project lifecycle phase with external stakeholder behavior. Ultimately, the increased understanding external stakeholder behavior supports project management in their decision making processes with regard to stakeholders.

As many project management scholars have advocated, previous research into the subject of project stakeholder management demonstrates a lack of understanding of the actual managerial behavior with regard to stakeholders. Instead, the focus of many studies has been on the partially irrelevant conceptual development of different stakeholder management tools and frameworks, which has resulted in a number of unapplied project stakeholder management methods. Publications III and IV address this gap by analyzing a focal project's responses to demands exerted by external stakeholders and describing the project management team's stakeholder analysis practices. In turn, publication V describes a focal project's behaviors by focusing on the management of unexpected stakeholder related events.

Extant research on project stakeholders further demonstrates a lack of understanding of the contextual factors inherent in international projects that may influence stakeholder behavior and a focal project's strategic activities with regard to them. Even though project management scholars have identified the importance of the project lifecycle phase and the stakeholder network structure, in which the focal project is embedded, in project stakeholder related phenomena, the mechanisms through which they actually influence the behaviors have not been studied in-depth. Publication II addresses the influence of the project lifecycle phase by studying its association with stakeholders' potential to influence the project management's decision making. In turn, publication V addresses the role of the local stakeholder network structure in the emergence of unexpected stakeholder related events. Furthermore, prior research has been criticized for not taking into account the role of the project management team's interpretation processes in determining the actual project stakeholder management activities. Publication IV addresses this gap by analyzing the project management team's project

stakeholder analysis practices in the light of the interpretation processes that take place in projects.

3 Results of individual publications

This chapter presents an overview of the individual publications of the thesis. For each publication, the theoretical background, motivation, key objectives, research approach, empirical context and key findings are presented. At the end of this chapter, a summary table (Table 7) of the research questions, underlying theories, research methods, key findings and their implications is presented.

3.1 Stakeholder salience in global projects (Publication I)

This publication contributes to the project stakeholder literature through increasing understanding of the dynamic nature of external stakeholder behavior and stakeholder salience in the context of global projects. More specifically, the publication provides answers to the question: What kinds of strategies do external stakeholders use in order to shape their salience? The vast majority of prior studies on project stakeholder management have adopted the project management's perspective, while far less attention has been devoted to understanding the stakeholder side of project stakeholder management (Frooman, 1999). By utilizing and combining the stakeholder salience framework by Mitchell et al. (1997) and extant research on stakeholder influence strategies, the study identifies and describes empirically eight different strategies that external project stakeholders may use to increase their salience and advance their interests in the eyes of the project management. Ultimately, better understanding of external stakeholders' different influence strategies increases project management's capabilities to manage stakeholders more effectively, since especially lack of understanding of the various interest groups has been articulated as one major challenge in projects (Winch and Bonke, 2002).

The publication is based on a single case study of a Botnia pulp mill project carried out in Uruguay. The project was highly unique due to its external stakeholder related challenges. This particular case was selected because it offered a rich and unique empirical context to explore and understand the strategies through which stakeholders influence and shape their salience attributes in the context of global projects. The data for the case study were collected during 2007 from public sources and entailed project case related articles published in two Finnish

financial periodicals and public studies and reports on the pulp mill. In addition, the findings of the study were discussed with Botnia representatives. The case analysis focused primarily on identifying and describing the salience shaping strategies of the opponent groups that were not directly involved in the execution of the project.

Based on the empirical analysis of the Botnia pulp mill project, the paper identifies the following salience shaping strategies used by the opponent stakeholders: direct withholding strategy, indirect withholding strategy, resource building strategy, coalition building strategy, conflict escalation strategy, credibility building strategy, communication strategy and direct action strategy. Furthermore, the paper contains a description of their use in the context of the Botnia case. The identification and description of different salience shaping strategies is the key finding and contribution of the paper.

By using the direct withholding strategy, stakeholders restrict the project's access to critical resources, which are controlled by the stakeholder in order to increase their power in the eyes of the management. For example, in the Botnia case, Argentina threatened to pass a law that would prevent the exportation of wood to Uruguay from Argentina. The indirect withholding strategy refers to a situation where stakeholders influence the project's access to resources that are not directly controlled by the specific stakeholder. By using this strategy, stakeholders may increase their power. In the Botnia case, a local active opposition group, for example, tried to assure the financiers of the project about the mill's potential negative environmental effects by sending in speculative letters. Furthermore, the opposition group lobbied the Argentinian representatives to pass laws that would harm resource availability for the project. In the resource building strategy, stakeholders acquire and recruit critical and capable resources to their group in order to increase their power base. In turn, the coalition building strategy relates to stakeholders' alliance building activities with other stakeholders. The coalitions may increase stakeholders' power and legitimacy in the eyes of the project management. For example, in the Botnia case, the local opposition group actively built networks and coalitions with local citizens, international environmental groups, and the Argentinean government. By using the conflict escalation strategy, stakeholders attempt to escalate the conflict beyond initial project related causes and promote other non-project related goals. In the Botnia case, the opponents of the mill shifted the conflict to legal and political arenas, and local Argentinean politicians used the project as an arena for promoting their political agendas. The credibility building strategy refers to the case of stakeholders trying to increase their legitimacy by acquiring credible and capable resources,

such as capable individuals with good reputations and networks. Project stakeholders may also use communication or direct action strategies to increase the urgency of their claims. In the Botnia case, different stakeholders actively used the different communication channels to highlight the urgency of their claims and initiated various protests and roadblocks.

Overall, the main contribution of the paper is that it provides insight, identifies, and empirically demonstrates different influence strategies that stakeholders may use to shape their salience in the context of global projects. The study contributes to research of stakeholder influence strategies in the field of stakeholder research (Frooman, 1999; Hendry, 2005) by providing much needed empirical investigation of the use and content of different influence strategies and by linking their use with Mitchell et al.'s (1997) salience attributes. The contributions with regard to project stakeholder management research are various. Only little research on the project stakeholder side of the project management has been conducted in the project research field. To the knowledge of the author, the study is the first one that explicitly addresses and conceptualizes different influence strategies that stakeholders may use to influence a project's decision making. The findings are also relevant from a managerial viewpoint. While global projects are executed in uncertain and institutionally demanding environments and involve a number of diverse actors with diverse goals and interests, understanding both the interests of stakeholders and the means through which they attempt to achieve their interests is paramount. The findings of this study highlight the need to take into account external stakeholders in the stakeholder analysis, since, as the Botnia case demonstrates, stakeholder action can arguably increase the direct operational costs of projects in the form of legal fees and public relation expenses. Further, the results of this study enhance managers' capability to understand stakeholder behavior and to evaluate ways through which stakeholders may try to influence the project. This understanding, in turn, supports the formulation and implementation of effective response strategies. In addition, the results of the study illustrate the dynamic nature of stakeholder salience during the project lifecycle and highlight the importance of continuously analyzing developments in project stakeholders' positions.

3.2 A project lifecycle perspective on stakeholder influence strategies in global projects (Publication II)

This publication draws primarily from literatures on stakeholder influence strategies, stakeholder salience, project characteristics and lifecycle stages. The publication adopts a lifecycle perspective on stakeholder influence strategies in global projects. While the vast majority of project stakeholder related research has been devoted to understanding how stakeholders are managed effectively, far less attention has been devoted to understanding the stakeholder side of project stakeholder management, i.e. how stakeholders actually behave and are able to influence the project management's decision making. In particular, a project lifecycle perspective on the potential for project stakeholders to influence the project management's decision making is missing from much of the literature. The fundamental assumption of the paper is that a project creates a dynamic context for stakeholder management and stakeholder behavior because the project moves through different phases during its lifecycle. The intended contribution of the study is to provide new insight and understanding of how opposing secondary stakeholders are able to take action and influence the project management's decision making during the different phases of the project lifecycle.

The paper is built around a theoretical analysis, through which a set of propositions is created. These propositions are considered relevant for the analysis of the dynamic nature of stakeholder behavior during the project lifecycle in the context of global projects. Furthermore, an empirical examination of one project case, the Botnia pulp mill investment project in Uruguay, illustrates how the developed propositions can be used to analyze the behavior of an opposing secondary stakeholder group. The data for the study was collected from public sources during 2007-2008.

The key results of the paper are propositions that address the potential of secondary stakeholders to influence the project management's decision making during the investment preparation, project execution and operations phases of the project. The propositions are:

1. The salience of secondary stakeholders is highest during the investment preparation phase.

2. The higher the potential goal conflict between the project and the secondary stakeholders, the less salient the secondary stakeholders are during the investment preparation phase.
3. The likelihood of secondary stakeholders using influence strategies is low during the investment preparation phase.
4. The salience of secondary stakeholders decreases as the project proceeds from the investment preparation phase to the project execution phase.
5. The likelihood of secondary stakeholders using influence strategies is high during the project execution phase.
6. Secondary stakeholders are likely to employ influence strategies that increase their power attribute during the project execution phase.
7. Secondary stakeholders are likely to employ influence strategies that maintain the group's identity during the operations phase.
8. If there is a possibility of similar projects in the future, secondary stakeholders are more likely to continue the use of influence strategies.

By adopting a project lifecycle perspective, the paper deepens the understanding of secondary stakeholders' influence strategies in the context of large engineering projects (Flyvbjerg et al., 2003; Grün, 2004; Jaafari, 2004; Miller and Lessard, 2000; Morris and Hough, 1987). The above propositions show how each project lifecycle phase has its own distinctive characteristics that have an effect both on the capability of stakeholders to take action and use influence strategies, and on the project management's willingness to take into account different stakeholders' claims. Although existing project stakeholder models provide tools for analyzing stakeholder issues, they do not provide specific propositions that would explain stakeholder dynamics during the project lifecycle. The study reveals that particularly project specific characteristics, such as the uniqueness of projects and irreversibility of decision making, influence both stakeholders' salience, i.e. how stakeholders' requests will be prioritized in the

decision making processes, as well as stakeholders' capability to take action and use different influence strategies. In addition, the empirical illustration of the Botnia case deepens our understanding of the content and interplay of different influence strategies that secondary stakeholders may use to advance their claim.

From a managerial perspective, increased understanding of secondary stakeholders' attributes, concerns and behaviors in projects is needed, so that managers can better understand how to successfully engage secondary stakeholders into the project's decision making processes. Furthermore, the findings of the study reveal an interesting paradox with regard to the optimal timing for including secondary stakeholders in the project's decision making processes. While from the project management's perspective secondary stakeholders are most salient during the investment preparation phase and, hence, have the best chances to influence the project management's decision making, in practice, due to the unique and temporary nature of projects, secondary stakeholders are most likely not able to use influence strategies during the early phase of the project lifecycle. In other words, at a stage where influence on project decision making is considered to be most acceptable from the project management's perspective, the potential for secondary stakeholders to voice their opinions is low. This mismatch of timing in the possibilities to influence and the capability to influence may result in conflict escalation during the project execution phase – a development that managers should not underestimate.

3.3 Response strategies to stakeholder pressures in global projects (Publication III)

This publication aims at providing new insights into how projects respond to pressures exerted from their external stakeholder environment in the context of global projects. The paper builds on and utilizes Oliver's (1991) ideas on organizations' strategic responses to institutional processes. The publication provides answers to the question: What kinds of strategies do focal projects enact as a response to the demands presented by external stakeholders in the context of global projects. In addition, the study seeks to identify project related factors that predict the occurrence of the identified response strategies. By identifying and describing different types of response strategies to external stakeholder pressures and factors that may explain these, the publication contributes primarily to research on project stakeholder management strategies. While the project management literature provides some accounts of project stakeholders'

demands and their effects on projects (Bourne and Walker, 2006; Flyvbjerg et al., 2003; Olander and Landin, 2005), only limited attention has been given to the diverse strategies that organizations involved in a project have actually enacted as a response to external stakeholder pressures.

The paper is based on a multiple case study of four different international engineering projects implemented in challenging institutional environments. Each of the cases studied involved external stakeholder related challenges. The cases were chosen to depict different positions of the focal companies in the project network: owner and developer (Case Compromiser), turnkey contractor (Case Influencer) and systems contractor (Case Isolator and Case Adapter). Case Compromiser was a pulp mill project in Uruguay, Case Influencer a telecom network project in a former Soviet Union country, Case Isolator and Case Adapter industrial facility projects in China. Research data consisted of interviews with key project representatives during years 2007 and 2008, in addition to documents and public material. Research data were utilized in identifying and describing different response strategies to stakeholder pressures and comparing the cases in order to identify factors that were potentially contributing to the identified differences in the response strategies.

Based on the empirical analysis five different types of response strategies are identified that range from passive to active approaches enacted by focal project companies. The identified response strategies are adaptation strategy, compromising strategy, avoidance strategy, dismissal strategy and influence strategy. The adaptation strategy refers to a strategy by which a focal project adapts to demands presented by stakeholders. In Case Adapter, Adapter chose to comply with the customer's response and decided to wait for the resolution of the conflict. The compromising strategy refers to a strategy in which a focal project makes concessions and compromises over its own objectives because of claims presented by stakeholders. Hence, a focal project aims to meet some of the requirements presented by its stakeholders and, in this way, accommodates some of the pressures. The avoidance strategy refers to a strategy by which a focal project loosens its attachments to stakeholder related claims and tries to guard or shield itself from the claims. Isolator used this strategy and transferred the responsibility to react to its customer. This way, Isolator avoided the pressures from the external project stakeholders and was able to buffer itself against the presented claims. Focal projects that employ the dismissal strategy ignore demands and pressures posed by stakeholders. In this case, a focal project considers that it is not necessary to take into account stakeholders' claims for the sake of the

efficient execution of operations. In turn, the intended effect of the influence strategy is to neutralize the stakeholders' opposition and to proactively shape their demands. This strategy involves active and innovative information sharing, opening the project to stakeholders, multi-stakeholder dialogues and building active and nonadversarial, long-term relationships with stakeholders. Influencer proactively aimed at influencing the public perception of the project, spreading information of the project and utilizing informal networks of people in the project environment.

Furthermore, the study identifies and discusses six different factors that may explain the occurrence of identified response strategies: position of the focal organization in the project network, power of the stakeholder, legitimacy of the claims made by stakeholders, the means stakeholders use to advance their claims, experience of the focal organization and responses of other actors in the network.

The main contribution of the study is that it identifies and provides empirical evidence on different response strategies that a focal project may enact as a response to external stakeholder pressures. Furthermore, factors that may explain the enactment of different response strategies are explored in the study. The findings of the study show that a focal project may not be able to select from a wide range of response strategies but that there are different contextual factors that affect the choice. The identification of the contextual factors also has relevance for managerial practice: managers need to acknowledge and identify aspects that have an effect on their potential response strategy repertoire. The findings of the publication also bring up interesting observations with regard to the role of the project network in the enactment of different response strategies. The study suggests that the traditional view of the project stakeholder literature, which views stakeholder management from a single focal organization's point of view (Yang et al., 2009), may be limited in the sense that it does not take into account the interactions among organizations within the project network. The results of the study show that the stakeholder management strategy actually emerges, is formed, defined and redefined in the interaction of the different actors taking active part in the project. In other words, the response strategy is not formed in the dyadic interaction between a focal project and a stakeholder or created by a central actor in the project network; rather, it grows from sequences of interaction and responses of multiple project network actors.

3.4 Project stakeholder analysis as an environmental interpretation process (Publication IV)

This publication contributes to extant literature through increasing understanding of the processes through which project management teams read their external stakeholder environment. The theoretical point of departure for the study is Daft and Weick's (1984) typology about organizational interpretation modes that focuses on describing the process by which managers perceive, interpret and attempt to respond to changes in an organization's external environment. The study is built on the assumption that the process of stakeholder analysis is always an interpretation process that may produce different perceptions of the stakeholder environment. By adopting an environmental interpretation perspective, the paper describes the external stakeholder analysis processes in four international case projects that are implemented in challenging institutional environments. More specifically, the study seeks answer to the following research question: How, i.e. through what kinds of practices, do project management teams analyze and interpret their external stakeholder environment in the context of international projects? Despite the fact that management's perception and interpretation processes have been asserted to be at the heart of many stakeholder classification frameworks (e.g. Mitchell et al., 1997), only limited attention has been devoted to the interpretation processes concerning stakeholder environments in the field of project management.

The paper features a multiple case study of four different international projects implemented in challenging institutional environments. Two turnkey delivery projects and two system delivery projects were selected, each implemented in a multi-firm project network in an institutionally demanding environment. Cases that were seen to differ with regard to their intrusiveness towards the stakeholder environment and with respect to the project management teams' assumptions about the stakeholder environment were sought. This case selection strategy was employed in order to ensure that the cases would reveal differences in the environmental interpretation processes and fill the different theoretical categories in the framework of Daft and Weick (1984). Interviewing was selected as the primary data gathering method. The interviews were complemented with project specific documentation. The data were collected during 2008.

Based on the empirical analysis, four different types of interpretation modes that differ in their stakeholder analysis characteristics are identified. Cross-case analysis reveals differences with

regard to the project's level of activeness and regularity of carrying out the stakeholder analysis and interpretation processes, in addition to the degree of formality of the stakeholder analysis and interpretation processes. In Case Analyzer, a discovering mode was employed. The stakeholder analysis activities were systematic and continuous. The project relied primarily on formal stakeholder analysis processes and guidelines and utilized for example, stakeholder lists and special reports in data scanning. Active monitoring of the external stakeholder environment was highlighted, and the objective was to be proactive with regard to external stakeholders. In Case Prospector, an enacting mode was employed. External stakeholder scanning and analysis was proactive and highly sensitive to external stimuli. Changes were readily sensed and personal contacts and relationships were actively used in acquiring stakeholder data and interpreting it. For Prospector, it was very important to rely on informal knowledge sources while formal processes were not considered that important. The project gathered information heuristically, trying new behaviors and then observing what happened. In Case Reactor, an undirected viewing mode was employed. Reactor's systematic stakeholder analysis practices were minimal. Instead, stakeholder challenges were taken care of in an ad hoc manner as stakeholder related concerns were encountered. External and personal sources of information were emphasized, while overly analytic and systematic processes were not valued. The project employed a passive approach towards its environment and did not rely on hard and objective data; this was because the environment was assumed to be unanalyzable. In Case Defender, stakeholder environment was neither actively scanned nor influenced. Defender reacted only when an external stakeholder challenge occurred. Accordingly, stakeholder analyses were not conducted on a continuous basis throughout the project lifecycle. Defender's stakeholder analysis primarily utilized internal knowledge sources and was conducted formally, following the established company guidelines. Therefore, the project was passive towards its environment and did not cross the traditional boundaries in its interpretations.

The findings of the study advance and contribute to project stakeholder management research both theoretically and empirically. The results pertaining to the different interpretation modes implicate that projects may differ significantly in how they read and analyze their external stakeholder environment, ranging from environmental activeness to passive observation. Even though project stakeholder management literature discusses stakeholder analysis practices and provides different tools and methods for stakeholder identification and classification (e.g. Bourne and Walker, 2006; Olander and Landin, 2005), the essential interpretation perspective has been taken for granted; only limited research attention has been devoted to the

problematization of interpretation processes concerning stakeholder environments in earlier literature. By examining stakeholder analysis processes from an interpretation perspective, the paper offers new insight and understanding of the content and variations of project stakeholder analysis processes. Most importantly, the study opens up new avenues for understanding factors that are related to different ways that project management teams may perceive and interpret their stakeholder environment and, hence, questions the universalistic and rationalized view of the established stakeholder analysis guidelines. Accordingly, project managers should become aware of the central role that interpretation processes play in project stakeholder analysis. By applying the model developed by Daft and Weick (1984) in the unique context of projects, the research provides insight into the role of the project management team's beliefs about the environment and the project's intrusiveness towards its environment as potential explanatory factors for differences in the actual stakeholder analysis practices.

3.5 A stakeholder network perspective on unexpected events and their management in international projects (Publication V)

Stakeholders are a significant source of unexpected events. This publication employs an inter-organizational network perspective to the study of unexpected events in international projects. Prior literature on unexpected events in projects has primarily focused on the management tactics and strategies employed in projects to deal with unexpected events (Florice and Miller, 2001; Hällgren, 2007; Hällgren and Maaninen-Olsson, 2005; Söderholm, 2008), while limited research attention has been directed at how stakeholder relationships affect the project's behavior and interior processes. Publication V aims at providing new insights into how a focal project's local stakeholder relationships are associated with the emergence and management of unexpected events in the context of international projects. As international projects interact with diverse local stakeholders and are embedded in complex stakeholder networks, it is central to understand how these inter-organizational relationships, external to the focal project organization, affect the project's activities. The specific research question of the paper is: How are the focal project's local stakeholder relationships associated with the emergence and management of unexpected events in international projects?

The research is built on project case studies using a qualitative multiple case study research design (Eisenhardt, 1989). International projects were selected as an empirical context due to their complexity in terms of local stakeholder relationships, and the range of stakeholder pressures and unexpected events present in them. For the purposes of the study, three delivery project cases, implemented in challenging institutional contexts, were selected. Cases with diversity in regard to local stakeholder relationship settings from the focal organization's viewpoint were sought. Therefore, one turnkey delivery project (Case Localizer) with a high number of local relationships, one system delivery project with a moderate number of local stakeholder relationships (Case Embedder), and one system delivery project with a limited number of local stakeholder relationships (Case Domestic) were selected. Research data consisted of interviews and project specific documentation. The data collection took place during 2007 and 2008.

The results of the study demonstrate how a focal project's direct and indirect local stakeholder relationships are associated with the emergence and management of unexpected events in international projects. Due to differences in the amount and quality of local stakeholder relationships, the management, nature and number of encountered unexpected events differ from project to project. In terms of key findings, two types of unexpected events related to local stakeholder relationships are identified. First, the data reveals unexpected events that are due to misunderstandings and the diverging practices, processes, values and norms of the focal project organization and the local stakeholders. Second, the study identifies unexpected events that emerged due to the challenges in the establishment of direct and indirect relationships with salient external local stakeholders, such as authorities or local residents on which the project's survival was dependent. These unexpected events were due to challenges in rooting and anchoring the project in its institutional environment. Consequently, the findings paradoxically reveal that both the existence and the lack of local stakeholder relationships to salient actors may generate unexpected events in international projects. Therefore, when designing the structure of the project network, managers should take into account both the need to engage local stakeholders to the project network in order to anchor the project to its institutional environment (Flyvbjerg et al., 2003; Grün, 2004; Miller and Lessard, 2000) and the need to create an integrated and cohesive project network that is capable for co-operation (Orr and Scott, 2008; Ruuska et al., 2009).

The results of the study contribute to the knowledge of unexpected events, their emergence and management, stakeholder management in international projects, and to research on project-environment interaction. Additionally, the publication provides guidance for managerial practice. First, the findings provide new insight especially into unexpected events triggered by the local stakeholders and into the role of local stakeholder relationships in the management of unexpected events. The results of the study show how local actors may be engaged directly in managing unexpected situations and how local stakeholders may be actively used as a source of local knowledge. Therefore, the findings of the study highlight the necessity of managers to pay attention to the configuration of the stakeholder network and its association with unexpected events in international projects. Second, by introducing a stakeholder network perspective and considering also indirect local stakeholder influences, the study challenges the traditional view of an individual project organization interacting with an individual stakeholder, which is strongly present in the current project stakeholder management models (Yang et al, 2009). Therefore, managers should go beyond dyadic direct stakeholder relationships, and when possible, also map potential indirect stakeholder influences by analyzing the stakeholder networks of their stakeholders. Third, the paper discusses how local stakeholder relationships are associated with the project's interaction with the local institutional environment and deepens the understanding on project-environment interaction (Engwall, 2003; Manning, 2008; Söderholm, 2008; Söderlund, 2004). The differences observed in the project's interaction with its environment due to different local stakeholder relationship settings call for project management approaches that are adjusted to the focal project's degree of embeddedness in the local stakeholder network (Shenhar, 2001).

3.6 Summary of individual publications

Table 7 presents a summary of the five publications included in this thesis. The table lists the research questions, main empirical domains, research methods and data collection, key findings, and managerial implications.

Table 7. Summary of individual publications

Publication	Research questions	Main empirical domains	Research methods and data collection	Key findings	Managerial implications
Publication I	<ul style="list-style-type: none"> What kinds of strategies do external stakeholders use in order to shape their salience? 	<ul style="list-style-type: none"> Stakeholders' influence strategies Stakeholder salience 	<ul style="list-style-type: none"> Case study approach Document analysis and interviews 	<ul style="list-style-type: none"> Identifies eight different strategies that stakeholders may use to shape their salience. Offers empirical illustrations on the use of different influence strategies in the context of global projects. Provides new insight on the dynamics of external stakeholder behavior and salience during the project lifecycle. Highlights the importance and improves understanding of the stakeholder side of the relationship. 	<ul style="list-style-type: none"> Highlights the need to pay attention to external stakeholders. Enhances managers' capabilities to understand stakeholder behavior and evaluate ways through which stakeholders may try to influence the project. Emphasizes the need to continuously analyze developments in stakeholder positions.
Publication II	<ul style="list-style-type: none"> How do external project stakeholders take action and influence the project management's decision making during the different phases of the project lifecycle? 	<ul style="list-style-type: none"> Stakeholders' influence strategies Stakeholder salience Project lifecycle phases and their unique characteristics 	<ul style="list-style-type: none"> Case study approach Document analysis and interviews 	<ul style="list-style-type: none"> Presents eight propositions that describe the potential of external stakeholders to influence the project management's decision making during the project lifecycle. Offers a project lifecycle perspective on stakeholder influence strategies. Provides new insight and deepens understanding of the influence strategies of external stakeholders during the project lifecycle. Identifies the uniqueness of projects and irreversibility of decision making as important project characteristics that influence both the capability of stakeholders to take action and use influence strategies and the project management's willingness to take into account different stakeholders' claims. Provides empirical illustrations that deepen the understanding of the content and interplay of different stakeholders' influence strategies. 	<ul style="list-style-type: none"> Increases managers' understanding of secondary stakeholders' attributes, concerns and behaviors in projects and, thus, increases the managers' potential to successfully engage external stakeholders in the project management's decision making processes. Reveals a paradox with regard to the optimal timing for including external stakeholders in the project's decision making processes.
Publication III	<ul style="list-style-type: none"> What kinds of strategies do focal projects enact as responses to the demands presented by external stakeholders in the context of global projects? 	<ul style="list-style-type: none"> Stakeholder management process Response strategies to stakeholder pressures 	<ul style="list-style-type: none"> Case study approach Interviews and documents 	<ul style="list-style-type: none"> Presents five different response strategies to stakeholder pressures and provides, hence, new insights with respect to how focal projects respond to pressures exerted from their external stakeholder environment. Provides empirical evidence on the use of different response strategies in the context of global projects. Identifies different factors that may explain the enactment of different response strategies. Suggests that the project network and interactions within it play a central role in the enactment of different response strategies. Argues that the traditional view of the project stakeholder literature is limited, since it does not take into account the interactions within a project network of several organizations. 	<ul style="list-style-type: none"> The findings of the study show that the repertoire of response strategies is influenced by contextual factors that managers need to identify. Emphasizes that managers need to understand the role of the project network and interactions within it in the emergence of a stakeholder management strategy: response strategy grows from sequences of interaction and responses of multiple project network actors.

Publication	Research questions	Main empirical domains	Research methods and data collection	Key findings	Managerial implications
Publication IV	<ul style="list-style-type: none"> ▪ How, through what kinds of practices, do project management teams analyze and interpret their external stakeholder environment in the context of international projects? 	<ul style="list-style-type: none"> ▪ Stakeholder analysis process ▪ Interpretation perspective to project stakeholder analysis 	<ul style="list-style-type: none"> ▪ Case study approach ▪ Interviews, documents, observations 	<ul style="list-style-type: none"> ▪ Provides new insights and empirical evidence on how projects read their external stakeholder environments. ▪ Identifies and describes four different interpretation modes that each feature different stakeholder analysis characteristics. ▪ Explores the role of the project management team's assumptions concerning the environment and the project's intrusiveness towards its external stakeholder environment as explanatory factors for different interpretation modes. ▪ Questions the applicability of universal and rationalistic stakeholder analysis guidelines. ▪ Opens up new avenues for understanding different factors that are related to different ways through which project management teams read their stakeholder environment. 	<ul style="list-style-type: none"> ▪ Enhances managers' understanding about the central role of interpretation processes in project stakeholder analysis.
Publication V	<ul style="list-style-type: none"> ▪ How are a focal project's local stakeholder relationships associated with the emergence and management of unexpected events in international projects? 	<ul style="list-style-type: none"> ▪ Local stakeholder relationships ▪ Unexpected events 	<ul style="list-style-type: none"> ▪ Case study approach ▪ Interviews, documents, observations 	<ul style="list-style-type: none"> ▪ Provides new insights on how a focal project's local stakeholder relationships are associated with the emergence and management of unexpected events in the context of international projects. ▪ Identifies two types of unexpected events related to local stakeholder relationships. 	<ul style="list-style-type: none"> ▪ Highlights the need to take into account both the requirement to engage local stakeholders to the project network in order to anchor the project to its institutional environment and the need to create an integrated and cohesive project network that is capable of co-operation when designing the structure of the project network. ▪ Emphasizes the necessity for managers to pay attention to the configuration of the stakeholder network and its association with unexpected events in international projects.

4 Discussion and conclusions

In this chapter, the key contributions of this thesis to extant literature are presented. This section focuses on discussing how this thesis provides new insight into project management literature and project stakeholder literature, in particular. In addition, the contributions of the study to stakeholder research and research on international projects are explicated. Whilst prior research on project stakeholders and their management is limited, this chapter highlights the findings that complement and add new knowledge to extant theory. Yet, findings and observations that challenge the limited amount of prior literature are also presented. The chapter begins by outlining the key theoretical contributions of the thesis, followed by a summary of managerial implications. The chapter finishes with a discussion on the validity and reliability of the empirical research and on the limitations of the thesis.

4.1 Theoretical contributions

This study is related to the field of project management. Through the application of ideas in stakeholder theory, the thesis examines questions concerning how external project stakeholders try to influence the project and how a focal project tries to manage external stakeholders in the context of international projects. The thesis contributes to three streams of research. First, in the field of project research, there have recently been calls for both theoretical and empirical research that would adopt a project stakeholder approach and increase the understanding of projects' interaction with their stakeholder environments (Acterkamp and Vos, 2008; Kolltveit et al., 2007; Yang et al., 2009) instead of the focus on projects as isolated entities, separated from their contexts (Engwall, 2003). In addition, research concerning external project stakeholders has received scant attention in prior research. Second, within the research field of international projects, there have been calls for detailed investigations of the role of external stakeholders in the project execution, and of the dynamism inherent in the interactions between the project and its external stakeholders (Flyvbjerg et al., 2003; Grün, 2004; Söderholm, 2008; Ward and Chapman, 2008). Third, stakeholder research has been criticized for sparse empirical research and for a lack in the application of the insights from stakeholder theory to real world problems (Freeman and McVea, 2001). In particular, there is very little descriptive theory or

research in the existing stakeholder literature about how organizations interact with stakeholders (Berman et al., 1999; Jawahar and McLaughlin, 2001).

This thesis will make its primary contribution to project management literature and more specifically to project stakeholder research. Through studying external project stakeholder related phenomena from the perspective of stakeholders and a focal project, this thesis brings new insights to the current literature on the interaction of projects with their external stakeholders in an inter-organizational, international project context. In addition, since the context of the study is international projects and, since, the thesis draws from stakeholder theory, the thesis makes modest contributions to stakeholder research and research on international projects as well. In the following, the detailed theoretical contributions of this thesis to the identified three research streams are explained by discussing them through the two key perspectives that have been adopted in this thesis: the perspective of project stakeholders and the perspective of a focal project.

4.1.1 Contributions to research on stakeholder behavior

By adopting a rarely utilized perspective in project stakeholder research, namely that of project stakeholders, this study identifies different influence strategies that external stakeholders may use to shape their salience in order to influence the decision making of the project. The categorization and description of different project stakeholder influence strategies has not been previously presented in project stakeholder research and it is, therefore, one of the contributions of this study. Furthermore, Olander and Landin (2005), among others, have argued for the need for a more in-depth understanding of the changes in the positions of the stakeholders within projects. The description of influence strategies through which project stakeholders try to shape their salience, as presented in this study, provides new insights and means for the evaluation of the dynamism of project stakeholder positions.

Furthermore, the thesis provides valuable new knowledge on the dynamic nature of external stakeholder behavior by analyzing the use of stakeholder influence strategies with regard to the project lifecycle phase –a perspective that has been absent from much of the earlier project stakeholder literature. According to the findings of this study, each project lifecycle phase has its own distinctive characteristics that have an effect on the capacity of stakeholders to take

action and use influence strategies and on the project management's willingness to take into account different stakeholders' claims. Although existing project stakeholder models provide tools for analyzing stakeholder issues, they do not provide specific propositions that would explain stakeholder dynamics during the project lifecycle. For example, Flyvbjerg et al. (2003), Ward and Chapman (2008) and Yang et al. (2009) have called for a more in-depth understanding of the mechanisms through which the project lifecycle stage affects stakeholder behavior and its management. In this study, eight propositions that describe the potential for external stakeholders to influence the project management's decision making during the project lifecycle are provided. The propositions concerning stakeholder behavior during the different phases of the project lifecycle provide a productive basis for further considerations on the dynamism of project stakeholder management during the different phases of the project lifecycle. Moreover, the findings of this study suggest an interesting paradox with regard to the optimal timing for including opposing external stakeholders in the project's decision making processes. While, from the project management's perspective, external stakeholders are considered most salient during the investment preparation phase, in practice, opposing external stakeholders are often unable to take action and use influence strategies during the early phases of the project lifecycle, due to the unique and temporary nature of projects. This finding challenges earlier research on the role of the early phases of projects, which suggests that the potential influence of external stakeholders is highest during the early phases of the project (Kolltveit and Gronhaug, 2004). Furthermore, by providing evidence on the constant interplay between the project and its external stakeholders during the project execution phase, the findings of this study put into question the "planned isolation" idea for the project execution phase, suggested by Lundin and Söderholm (1995). Therefore, the results lend empirical support to recent studies from other project contexts that have confirmed that some projects may be more tightly linked with their environment during the implementation phase than what has been previously assumed (Johansson et al., 2007; Lehtonen and Martinsuo, 2009).

In addition, the empirically generated findings of stakeholder behavior verify and lend support to the findings of Frooman (1999) and Hendry (2005) in the field of stakeholder research by providing much needed empirical evidence on stakeholders' influence strategies. Furthermore, the study provides initial insights into the dynamic nature of stakeholder salience (Mitchell et al., 1997), by linking the identified influence strategies with the changes in the salience attributes of power, legitimacy and urgency.

With regard to research on international projects, this thesis provides valuable insight on exogenous influences on a project's interior processes since the majority of prior research has focused on the complex make-up of the project itself ignoring the external stakeholder context. As is demonstrated by the empirical case descriptions of external stakeholder incidents, the challenges and risks associated with international projects are not purely technical, but arguably more in managing the social, political and cultural aspects in the context of several actors with differing objectives, goals and strategies. By adopting an open systems view on the study of international projects, the findings of this thesis on stakeholder influence behavior during the project lifecycle develop further Miller and Olleros', (2000), Floricel and Miller's (2001) and Söderholm's (2008) observations on the potential for external stakeholders to influence the execution of international projects.

4.1.2 Contributions to research on a focal project's stakeholder management activities

The findings of this study provide new insight into activities of a focal project with regard to external stakeholders. Whilst extant project stakeholder research has primarily focused on the development of conceptual stakeholder management models and frameworks (e.g. McElroy and Mills, 2003; Winch and Bonke, 2002) the empirical results of this thesis provide observations on a focal project's real actions with regard to external stakeholders in the context of international projects. The findings of this thesis clearly imply that projects differ with regard to how actively they analyze and respond to the pressures coming from the external stakeholder environment. In project research, empirical observations concerning the project's active or passive interaction with their environments have primarily been made in the context of project and its parent organization (e.g. Johansson et al., 2007; Martinsuo and Lehtonen, 2009). Even though various scholars have suggested that projects evidently differ with regard to the degree of interaction with the stakeholder environment (Artto et al., 2008a; Artto et al., 2008b; Engwall, 2003; Floricel and Miller, 2001; Söderholm, 2008) only few studies have empirically addressed this notion and the contextual factors that may affect the differences. In this study, five different strategies that a focal project may use to respond to the pressures exerted by external stakeholders are identified and the content of these strategies is described, which is a contribution in itself. Furthermore, by providing empirical evidence on the different approaches through which the project management teams analyze and interpret their external stakeholder

environment, the study lends support to Jepsen and Eskerod's (2009) findings that question the universal nature of the stakeholder analysis frameworks.

A further key contribution of this study with regard to project stakeholder research is that it both draws attention to and provides findings on the context dependent nature of a focal project's external stakeholder management activities. This is an area, which has not received much research attention, even though the importance of a contingency perspective in project management has been expressed in prior project research (e.g. Shenhar, 2001; Engwall, 2003). Of particular value is the inter-organizational network perspective in the study of the emergence of stakeholder events and their management, which is adopted in this study.

Various scholars have called for more attention to be paid to the implications of inter-organizational networks in which focal projects are embedded (Artto and Kujala, 2008; Engwall, 2003; Manning, 2008; Söderlund, 2004). The idea that organizations respond to influences beyond dyadic stakeholder ties has been advocated in stakeholder research by Rowley (1997), but has not been applied to the study of projects (Yang et al., 2009). In addition to providing findings on the role of the stakeholder network structure in the emergence of unexpected events, the results of this study provide initial insights concerning the implications of the project network structure on the potential of a focal project to respond to external stakeholder influences. A new idea that is presented in this study is that project stakeholder management strategy is actually formed, defined and redefined based on the interactions of different actors that are taking active part in the project. In other words, the response strategy is not formed in the dyadic interaction between a project organization and a stakeholder, but grows from sequences of interaction and responses of multiple project network actors, instead of being created by a central actor in the project network. Consequently, a cohesive and dense project network is more likely to be capable of responding to external stakeholder influences than a sparse project network.

In addition to inter-organizational network structure, this thesis suggests that the phase of the project lifecycle and the project management team's interpretation processes affect the managerial behavior with regard to external project stakeholders –perspectives which have not been thoroughly addressed in prior project stakeholder research. According to the results of this study especially the uniqueness of projects and the irreversibility of decision making in

particular, explain the project management's conceptions of external stakeholders' salience during the project lifecycle and in this way, affect the project management's decision making. In addition, the results of this study highlight the active role of project managers in determining the ways in which projects approach their external stakeholder environment. Among others Hoyte (1982) and Morris (1982) have brought up the importance of the awareness of the project management's responsibility for the socio-political environment and the need for environmentally sensitive project managers instead of those focusing only on technical issues.

The findings regarding a focal project's external stakeholder management activities also contribute to stakeholder research by providing empirical evidence of an organization's interaction with external stakeholders. Furthermore, the initial findings concerning the role of the inter-organizational project network in an organization's responses towards external stakeholders address a research area that has received limited attention in the field of stakeholder research (Rowley, 1997). A shortcoming in the field of stakeholder research is that it does not adequately address the dynamic nature of an organization's interaction with stakeholders (Jawahar and McLaughlin, 2001). By adopting a lifecycle perspective and addressing the dynamic and temporal context of projects, this research makes a modest contribution to stakeholder research as well.

With regard to research on international projects, this thesis confirms and expands earlier findings on the unexpected nature of stakeholder events (Florice and Miller, 2001; Söderlund, 2008; Ward and Chapman, 2008). Whilst the traditional project risk analysis approach assumes an analyzable and rational project environment, the findings of this thesis indicate that many of the external stakeholder related incidents cannot be captured through the formal project risk management process, but come as a surprise to project management. In addition, the findings of this study confirm earlier findings concerning the management of unexpected events (Florice and Miller, 2001; Hällgren and Maaninen-Olsson, 2005; Hällgren, 2007; Söderholm, 2008) by demonstrating the use of informal managerial practices in dealing with them. The results of this thesis further suggest a classification framework for unexpected stakeholder related events by revealing that both the existence and lack of local stakeholder relationships with salient actors may generate unexpected events in international projects. Consequently, the findings of the study advance research concerning the uncertainty management, and unexpected events in particular, in the context of international projects (Florice and Miller, 2001; Hällgren and Maaninen-Olsson, 2005; Hällgren, 2007; Söderholm, 2008). Moreover, the majority of early

and even recent project research has adopted a closed system approach to the study of the project and considered the environment of the project as a black box (Söderholm, 2008). This research contributes to extant research by explaining how the external project stakeholder environment influences the actions of a focal project by demonstrating, for example, how local stakeholder relationships can be utilized in the management of unexpected stakeholder related events.

4.2 Managerial implications

The success of international projects is very much dependent on the management of the relationships between the project and its external environment. As the findings of this thesis demonstrate, the pressure for international projects to be more environmentally and socially responsible are on the rise, which highlights the strategic role of external stakeholder management in projects. However, until recently project managers have not paid adequate attention to external stakeholder requirements. In fact, in the conventional development of international projects, concerns related to the external influences are not typically addressed until in a late stage in the project lifecycle (Flyvbjerg et al., 2003). One reason for this may be that in reality little is known about the nature of the various project stakeholders and their management: who they are, what their drivers are, how are they trying to influence the project and what are the best ways to approach and manage them in order to ensure project success.

Even though this thesis does not address the link between stakeholder management and project performance or directly provide information on the efficiency of stakeholder management approaches, it offers support and guidance for managers concerning stakeholder management by producing new and empirically driven insights into external stakeholder behavior and managerial responses to these influences. Ultimately, understanding of external stakeholders' influence strategies and knowledge of how a focal project can deal with stakeholder influences, supports project managers in the formulation of efficient stakeholder management strategies. Moreover, knowledge on the different contextual factors that may affect the behavior of external project stakeholders supports managers in adjusting and tailoring their stakeholder management practices to different project contexts.

Publications I and II equip managers with a better understanding of external stakeholders' influence strategies during the different lifecycle stages of the project. The key managerial message is that the dismissal of opposing external stakeholders in any project phase may endanger the whole project implementation or at least result in extra costs, delays and have adverse reputational implications, as exemplified in the Botnia case. Understanding the repertoire of different stakeholder influence strategies supports managers in their stakeholder risk analyses and response planning. In addition, the knowledge generated on the evolution of stakeholder positions and the dynamism of stakeholder behavior during the project lifecycle has important managerial implications. Since the potential for stakeholders to influence the project may change during the project lifecycle due to changes in their power, legitimacy and urgency – or even totally new stakeholder groups may emerge– continuous stakeholder analysis and management throughout the project lifecycle is of utmost managerial importance. In addition, in the stakeholder analyses, management should also consider the long-term effects of their stakeholders' claims beyond the project's implementation phase and the impacts on the company's project business. Therefore, project management must be aware of how their responses to stakeholder claims will influence the actual operations phase of the project –such as the acquisition of material and other required inputs for the actual plant operations. Furthermore, the analysis of the Botnia case demonstrates how the mapping and management of dyadic project stakeholder relationships is not sufficient; project managers should also be aware, evaluate and build scenarios of the potential allying processes between the stakeholders as well.

Publications III, IV and V adopt the perspective of a focal project and provide new information of project's behaviors with regard to external stakeholders. Previous project stakeholder research has produced various stakeholder identification models and frameworks for project managers. It has not, however, provided sufficient empirical evidence on how projects may actually respond to external stakeholder influences. Publication III provides managers with a typology of different response strategies to external stakeholder pressures and supports management in their evaluations on the potential response modes. Further, both publications III and V argue that external stakeholder incidents are often unexpected and unforeseen. Therefore, managers should realize that, despite all the best risk management analyses and efforts, external stakeholder conflicts may still emerge. Within these instances what becomes crucial is how prepared the project is to respond to unexpected events. Hence, in terms of uncertainty management approaches, managers should be prepared to balance the anticipation of stakeholder risks with the building of the capabilities to respond to emergent and unexpected

stakeholder related events. Publication III identifies factors that may influence the focal project's possibilities to respond to external stakeholder influences. Of managerial interest is the notion that the focal project's position in the project network may have a crucial impact on the employed response strategy: the managers of turnkey projects have wider possibilities to respond to external stakeholder influences than the managers of system delivery projects. Moreover, the research presents the observation that the response strategy towards stakeholder pressures is actually formed through the interactions of different organizations taking part in the project network. This notion is also of managerial importance, since it implies that cohesive and internally integrated project networks may have better capabilities to respond to external influences, when compared to loose project networks, in which each participant may respond to the same external influence differently and in a non-unified manner. Therefore, the results of the study promote the view that, when considering the stakeholder management approaches, managers need to think beyond their own focal project and analyze the characteristics of the project network in which the focal project is embedded. This will facilitate the process of engaging the project network in the management of external stakeholders. It may well be that, for example, local subcontractors of a turnkey contractor can play an important role in the management of relationships to local authorities. Publication V highlights the managerial need to pay attention to and evaluate the project network structure from the perspective of local stakeholders; while local stakeholders increase the likelihood of unexpected stakeholder related events, they may also provide support in the management of unexpected stakeholder conflicts. The findings also highlight the managerial need to take into account indirect external stakeholder influences; managers of a focal project should be also concerned about the indirect stakeholder relationships, such as the stakeholder relationships of their local subcontractors, since these are ultimately the stakeholders of a focal project as well.

Publication IV provides evidence on the variability of the stakeholder analysis practices utilized in projects. The findings question the usefulness of different stakeholder analysis frameworks, because many of these frameworks seem to be unknown and/or unused by project managers. On the other hand, it may be that project managers of the case projects have not received enough practical training in the use of different stakeholder analysis methods. For example, project management standards (e.g. PMBoK, PMI, 2008) have a rather narrow focus on stakeholder communication and do not currently provide enough managerial guidance concerning the stakeholder analysis process. Nor is the strategic role of project stakeholder management emphasized in these guidelines. Therefore, it is suggested that project-based firms should pay

attention to their instructions concerning project stakeholder management processes – oftentimes a separate stakeholder management process does not even exist, but superficial analysis regarding stakeholders is embedded in the project risk analysis process. In addition to the focus on internal and technical project issues, project managers should be continuously trained and informed about the need for them to take an active role in the management of the external influences from the project's environment. The findings of this thesis further highlight that the presence of multiple, often conflicting, institutional environments presents a challenge for managing the stakeholder environment in international projects. The legitimacy of stakeholder claims is evaluated differently in diverse institutional environments. Therefore, managers must be aware of the diverse behavioral assumptions, normative rules, and regulations in each of the institutional environments that are relevant for the success and survival of the project.

4.3 Validity and reliability of the empirical research

The validity and reliability of case study research can be evaluated through construct validity, internal validity, external validity, and reliability methods (Yin, 2003). In the following, the four tests and case study tactics dealing with them are considered in the context of this study.

Construct validity addresses the establishment of sufficiently operational set of measures for the studied concepts (Yin, 2003). In other words it deals with the quality of the conceptualization or operationalization of the relevant concept (Dubois and Gibbert, 2010). Importantly, it attempts to measure the degree to which the study actually investigates what it claims to investigate (Denzin and Lincoln, 1994). Various measures have been suggested to deal with construct validity issues in case study research. The first is triangulation, which entails the use of multiple sources of evidence and data collection strategies (Pettigrew, 1990; Yin, 2003). All of the publications used multiple sources of evidence. Publications I and II utilized public documentation and interviews, while publications III, IV and V used interviews and company documents as evidence. Furthermore, in publications IV and V also observations were utilized. In publications III, IV and V interviews were conducted with individuals from various hierarchical and functional organizational positions and with different national backgrounds that had been involved in the case projects. In addition, a subset of the informants were interviewed twice. Another principle to follow in assessing construct validity is to establish a chain of

evidence, which refers to allowing the reader, external auditor of the study, to reconstruct how the research proceeded from the initial questions to the final conclusions (Yin, 2003). Maintenance of the chain of evidence in all the publications was attempted by focusing on the presentation of the basis for the conclusions. Illustrative quotations and stories were presented to support the findings. The case study database was maintained and interview data transcribed to ensure that the relevant evidence could be retrieved if necessary. Finally, obtaining verification of the case study reports by inviting the informants to review them is an important tactic in improving construct validity. With regard to publication I and II, the case study descriptions were sent to the company representatives and their feedback from the case was discussed in a meeting. With regard to publications III, IV and V various versions of the case study descriptions and results were sent to the key informants of the companies. Findings were also presented and discussed in a range of workshop sessions and seminars with the company interviewees.

Internal validity is of concern for explanatory case studies. It considers the extent to which causal relationships can be established between constructs (Stuart et al., 2002). Therefore, internal validity concerns the logical reasoning of the study. The research in the publications of this thesis is primarily descriptive, however, publications (II, IV and V) contain some causal elements. In these studies the addressed contextual factors are hypothesized to explain stakeholder behavior and a focal project's responses with regard to them. Tactics to deal with internal validity include addressing rival explanations, the use of logical models, conducting explanation building, and pattern-matching exercises (Yin, 2003). In publications II, IV and V, internal validity was enhanced by formulating a clear research framework to demonstrate associations with variables and results. Furthermore, the separate publications addressed partly the same cases from different viewpoints, which increases the internal validity of the studies.

External validity deals with the degree to which the findings and conclusions of the study can be generalized beyond the immediate case study. Therefore, the domain in which a study's findings can be generalized needs to be established (Yin, 2003). Limited external validity is considered as a weakness of the case study method and is the main reason why multiple case studies are advocated (Johnston et al., 1999). Case studies rely on analytical generalization instead of statistical generalization. Analytical generalization refers to the generalizations made from empirical observations to theory rather than to a population, which is the basis for statistical generalization (Yin, 2003). Using multiple case study designs has been suggested as a means to

raise the external validity of the study (Eisenhardt, 1989; Yin, 2003). Furthermore, Yin (2003) suggests using theory as a tactic to deal with external validity challenges, if only single case studies are possible. In addition, the provision of a clear rationale for case study selection and describing the case study context in a detailed manner is required (Cook and Campbell, 1979). In this thesis, publications III, IV and V are all multiple case studies and use replication logic. Each case was carefully selected in order to predict contrasting results between the cases, but for predictable reasons. In addition, the author attempted to describe the logic for case study selection in a transparent manner. In the single case studies (publications I and II) pre-existing theory was used in order to improve the generalization of the findings.

Reliability addresses the replicability of the research. It refers to the enablement of subsequent researchers to arrive at the same results if they conducted the research along the same path again (Denzin and Lincoln, 1994). According to Yin (2003), the use of a case study protocol and development of a case study database are keys to ensuring reliability in the case study context. In the studies presented in this thesis, the case study protocol was developed in collaboration with other researchers who took part in the interview process. When applicable, the case study protocol was also discussed with selected company representatives before the data collection started. The interview protocol was further improved through pilot interviews. Copies from the interview guides and other related documentation were typically sent to the interviewees before the actual interview session. The guides contained information concerning the objectives of the research. In addition, for each of the studies, a case study database was created in order to record and organize the data collected for the case studies. The case study databases contain a collection of notes made with regard to the case study, case study documents, transcribed interviews (publications III, IV and V), and initial case descriptions.

4.4 Limitations

Several limitations exist with regard to the interpretation of the results of this thesis. Case studies do not separate the phenomena from their context but instead emphasize the real-world context in which the studied phenomena occur (Eisenhardt and Graebner, 2007). Therefore case studies are able to provide rich and deep descriptions of the studied phenomena. However, for this very reason, the results generated from case studies are commonly criticized for their lack of generalizability beyond the immediate case context. Siggelkow (2007) notes that because

case study theory building is a bottom up approach –in the sense that the specifics of data produce the generalizations of theory– building theory from cases may result in narrow, idiosyncratic and modest theory. In this thesis, the generalizability challenge was addressed with multiple case settings in publications III, IV and V, since multiple case studies typically provide a stronger and more firmly grounded base for theory building (Yin, 2003). Yet, the number of case projects analyzed in multiple case settings of this thesis can be considered low because it was not always possible to reach the saturation point. On the other hand, the fact that partly the same case studies were utilized in the research processes of different publications improved the validity of the study, since the same case projects were analyzed from diverse viewpoints. In terms of the single case studies (publications I and II), the generalizability of the findings is lower than it is for multiple case studies. It may be debated whether the findings of publication I on stakeholders influence strategies are so idiosyncratic that they cannot be generalized beyond the case context of Botnia, which faced unique opposition by the local external stakeholder group. In publication II, the results are primarily theory-driven, since the case is only used to illustrate the propositions developed in this publication. This helped improve the validity of the results.

The objective of the overall research process of this thesis is to enhance the understanding of external project stakeholder behavior and how a focal project functions with regard to external stakeholder influences. Also central to this thesis was the goal of increasing the knowledge of the contextual factors that may influence stakeholder behavior and a focal project's external stakeholder management activities in international projects. With regard to the overall research process of this thesis, the limited number of studies conducted is of concern. Only a limited number of perspectives or aspects of stakeholder behavior and a focal project's stakeholder management activities are addressed in this thesis. The justification of the relevance of the selected approaches is, however, based on grounded empirical evidence and existing theoretical knowledge. In addition, the case studies were conducted in a limited number of countries, at a particular period of time, and within a small number of Finnish-based, global companies in a limited number of industries. All of these limitations naturally limit the generalizability of the findings. Hence, the findings of this thesis may not hold in other types of project, country and industry contexts. Furthermore, had there been a possibility for a truly longitudinal research setting, the stakeholder dynamics present in the cases could have been evaluated more substantively.

Stakeholder theory, project stakeholder research and research on international projects are the key domains of literature that this thesis is built upon. In order to enhance the generalizability of the findings, the literature bases could have been expanded to other literatures that study similar findings and phenomena, such as the social movement literature. Additionally, concerns may be expressed over how thorough the comparison and discussion of the findings of this thesis in light of previous literature are. This is one area, where this thesis could be developed further.

Furthermore, the terminology evolved during the course of producing the individual publications, and this can be considered a limitation of the thesis overall. In three of the publications (publications I, II and III), the concept of global projects is used to describe the project context, while in this thesis, and in publications IV and V, the term international project is adopted to depict the same context. However, this conceptual ambiguity is also present in the project literature. In addition, this thesis explicates the author's understanding of the differences and similarities of these two concepts.

All the publications utilize interview-based evidence. While interviews are considered to be a very efficient way to gather rich empirical data, they often also provoke the reaction that the data are biased because of retrospective sensemaking by image- and status conscious informants (Eisenhardt and Graebner, 2007). This challenge was tackled in publications III, IV and V by using numerous knowledgeable informants that were able to view the studied phenomena from different perspectives. In addition, a number of the interviews were conducted at the project sites in the project's host country, which is believed to improve the reliability and richness of the data. For publications I and II, public newspaper articles published in one country served as the primary source of data. Naturally, one may question whether the data is biased due to its secondary nature, or the fact that the news coverage was only conducted in a country that also happened to represent the country of origin of the investor of the project.

A further limitation of this study is the challenge of operationalizing, measuring, evaluating and interpreting some of the key variables used in the studies. Publications III, IV and V, in particular, suffer from this limitation. In publication IV, the assumptions of the project management teams concerning their external environment, and the project's intrusiveness, are evaluated based on qualitative interview data. The operationalization of these two constructs does not contain well-defined measures, but the analysis is more or less based on the

researcher's interpretations of the data based on various coding rounds. Furthermore, publications III and V characterize among other things the inter-organizational network structure of the analyzed project cases. The analysis of the project network was based on qualitative data and, therefore, contains subjective evaluations of the interviewees and constructs of the researcher with regard to the network structure. In addition, the studies employed a focal actor perspective so that data regarding the network structure were collected only from one organization taking part in the project network. This was due to the challenges in accessing other project network organizations. Even though particular attention and care was placed on the interview-based network analysis method, it is debatable whether reliable conclusions can be drawn on the project network structure.

5 Further research

The study provides enhanced understanding of external stakeholder behavior and its management in the context of inter-firm international projects. However, since research on external project stakeholders is in its early stages, further research is still required to provide more empirical evidence and theorizing on this important subject. This study has established the stage for several topics of future studies on project stakeholder related phenomena in the context of international projects, as well as in other kinds of project contexts.

Publications I and II address the stakeholder side of the relationship by examining external stakeholders' actions in projects. In these studies the focus was primarily on opposing secondary stakeholders, while the actions and attachments of authorities and political groups that have legal influence over the project received less attention. However, the case of Botnia provided some initial insights on the critical influences that authorities and inter-organizational connections between them and other external stakeholders may pose to the project. Therefore, more research is needed to investigate, in more detail, the role and influence strategies of such stakeholders that may exert legal influence over the project. In addition, of considerable interest would be studies on the role of media in large scale projects, and particularly in the case of stakeholder conflicts: through what kinds of mechanisms do the media influence the project's actions and how do a project's relations with media relate to this? Even though media is recognized as an important stakeholder group in project research, until today, it has received only limited attention.

Furthermore, publications I and II highlight the need for more careful study of the antecedents and predictors of external stakeholder mobilization, action and conflicts in international projects. Such research should at least take into account factors related to the project setup, to stakeholder groups and to different institutional factors in the host country environment of the project. With this type of information one would be able to better predict the risk of emergent external stakeholder conflicts in international projects. Moreover, publications I and II do not investigate project or stakeholder specific factors that would predict the use of certain types of stakeholder influence strategies or their temporal ordering in projects. Clearly, more research and theory building would be valuable in this area. In addition, the studies do not explicitly address the degree of success of external stakeholders' influence strategies. With regard to the

Botnia case, one could argue that the influence strategies used by external stakeholders were not at all influential, since the pulp mill is now up and running. It would make an interesting case study to examine projects where the actions of external stakeholders have ultimately led to the unraveling of the project coalition and eventual abandonment of the project. These projects could then be compared with projects that faced similar types of opposition but survived. This kind of research setup would make a valuable contribution to project stakeholder research and research on international projects.

This study does not consider the temporal dynamics beyond a single project. Adopting a project business perspective and linking the projects and their stakeholder behavior to the history and future of projects would potentially provide interesting results. It is likely that the incidents that have taken place in previous projects, and the potential for future projects, are likely to influence stakeholders' activities in single projects. Therefore, adopting a path dependence perspective to the examination of external stakeholder behavior is suggested.

The Botnia case also provides insights on the coalition building strategies where external stakeholders build inter-organizational relationships with other actors in the stakeholder network. Further research could provide more in-depth evidence on the implications of stakeholder network structures and their dynamism for project execution. In addition, publications I and II adopted a single case setting. A more rigorous research design with a multiple case setting is needed to examine and verify, whether the stakeholder influence strategies identified, as well as, their hypothesized association with the project lifecycle stage hold true in other international projects and project contexts.

This thesis also addresses a focal project's responses with regard to external stakeholders. Publication III provided information on a focal project's response strategies and pointed out that the inter-organizational project network structure may be one determinant of the enacted response strategy. It would be interesting to study further how the centrality of the focal project in the project network and the density of the project network explain the enacted response strategy by a focal project. Both qualitative as well as quantitative network analysis research is needed in this area. Overall, it is suggested that more research is needed that examines the role of inter-organizational project networks in which the focal projects are embedded in diverse

project related phenomena. This type of research would provide valuable contributions to project research in general.

Publication III also pointed out that the stakeholder management strategy is formed through the interaction of various organizations taking part in the project network. Research that would investigate, in detail, the nature and process of these interactions would give more insight into the coordination mechanisms that take place within project networks in order to manage external stakeholders. While previous research suggests that, typically, the end customer and turnkey contractor “orchestrate” external stakeholder management, this study has provides evidence of the potentially important role system suppliers or local subcontractors play in the stakeholder management processes. In addition, publication III makes a suggestion that the response strategies of focal projects are dynamic and may change during the project lifecycle, as in the Botnia case. It would be interesting to study this observation further, for example, with a case in which a total turnaround with regard to the enacted response strategies has taken place.

Publication IV provides empirical evidence on project stakeholder analysis practices. The findings of the study bring up the fact that, for some reason, the suggested tools and frameworks for project stakeholder analysis are only rarely used by project management teams. One potential reason for this may be the experienced low value that they produce. Consequently, further research should study the usefulness and value of different project stakeholder identification and analysis techniques. Furthermore, as both publications III and IV note, projects differ with regard to the activeness towards their stakeholder environments. However, the studies do not address the potential performance link of the managerial activeness towards stakeholders, which should be studied further.

Additionally, publication IV draws research attention also to the individual level of action and stands in contrast from the organizational level of analysis, which is the typical level of analysis in many project stakeholder studies. It would be valuable if further studies addressed in more detail the individual level interactions between the focal project and stakeholder organizations. Furthermore, publication IV deals with distributed multinational projects in which part of the focal project’s project management team is located in the host country of the project and part of the management team is located in the country of origin of the focal company. It would be interesting to study whether the interpretation processes of the distributed project management

teams with regard to the external stakeholder environment are different, for what reasons they are different and what types of implications this might have for the project.

Publication V focuses in particular on the management of unexpected stakeholder related events and the role of local stakeholder relationships in these processes. The initial findings concerning the associations of a focal project's local stakeholder network structure with the unexpected events and their management should be further studied in other project cases. In addition, publication V highlights the project's need to adapt to the local institutional environment and practices. However, from the perspective of the globally operating project-based firm, it is also necessary to maintain and employ certain standard project management processes. What processes to localize and what to keep standardized on a global level is an interesting topic for further research.

Finally, the results of the publications emphasize the need to understand the dynamic nature of stakeholder behavior and managerial actions with regard to stakeholders. Based on the findings of this thesis, it would be interesting to conduct a detailed examination of the dynamic interactions between external stakeholders' actions and actions taken by a focal project in response to them. Moreover, a longitudinal research setting would be ideal to study the dynamics concerning the network positions of the stakeholders and the focal project. Learning about the evolution of stakeholder relationships and network positions during the project lifecycle would provide a valuable contribution to the existing literature.

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PART II: INDIVIDUAL PUBLICATIONS