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STAKEHOLDER RISK MANAGEMENT IN PROJECT MANAGEMENT: AN APPROACH FOR IDENTIFYING, ANALYZING, AND MITIGATING STAKEHOLDER-DRIVEN RISKS IN CONSULTING PROJECTS

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Abstract

This study investigates stakeholders as sources of risk within the consulting industry to develop an approach for risk management, thereby addressing the challenge of identifying, analyzing and mitigating stakeholder risks. Mixed-methods research was conducted, including a quantitative survey of consulting project managers followed by qualitative expert interviews. Findings reveal that stakeholder risk management is undertaken on a highly individualized basis, lacking a formalized structure. In response, a structured approach to stakeholder risk management was developed, incorporating underlying themes and stakeholder risk domains. Additionally, those findings were synthesized into two templates designed to support consulting project managers in managing stakeholder-related risks.

Keywords

Consulting, Stakeholder Management, Stakeholder Risk Management, Project Management, Risk Analysis

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List of Abbreviations

H = Hypothesis

PM = Project Management

PRM = Project Risk Management

RM = Risk Management

SRM = Stakeholder Risk Management

SRR = Stakeholder Related Risks

1. Introduction

This study investigates the topic of Stakeholder Risk Management (SRM) in consulting projects. Although Risk Management (RM) is an intrinsic part of Project Management (PM) and its dynamics have been deeply studied in academic research, the role of stakeholder contributions as a key source of risk has been, especially in the context of consulting projects, overlooked. Numerous methodologies for project and risk management, such as PMBOK (PMI, 2019), PRINCE2 (Axelos, 2017), COBIT (ISACA, 2012), ISO:31000 (ISO, 2018) or a magnitude of individual contributions from leading scholars can be found in management literature. However, these approaches often fail to notice the nuanced interpersonal dynamics inherent in professional service industries, such as consulting, where success heavily depends on stakeholder relationships. In this context, little attention has been given to stakeholders as key sources of risk, highlighting the urgency with which stakeholder risks need to be analyzed in this context.

This study is centered around SRM in consulting projects aiming at exploring stakeholders as sources of project risk from a theoretical and practical perspective. It follows the objective of bridging the existing research gap in academic literature and translating generated findings into actionable means, assisting consulting project managers in identifying, analyzing, and mitigating stakeholder-related risks (SRR). The research question of *"How to identify and analyze stakeholders as key sources of risk for projects in the consulting industry?"* underpins this endeavor. It is hypothesized that consulting project managers perceive SRR as critical elements requiring formal management strategies (H1), yet its management is taken out on a highly individualized basis (H2), lacking widely accepted guidelines and approaches for identifying, assessing, and mitigating stakeholder risks (H3).

To answer this research question and to test the corresponding hypotheses, this study uses a mixed-method research design. Its methodological pluralism offers broader and more detailed

perspectives than monomethod designs, ultimately enhancing research depth (Azorin & Cammeron, 2010). Therefore, a quantitative survey targeting consulting project managers will be employed to uncover patterns in stakeholder-related risk factors, including their identification, analysis, and management. As a supplement to these results, qualitative semi-structured expert interviews with project managers from the consulting industry will be conducted to validate quantitative findings and provide qualitative means to increase the depth of this research. After analysis of research findings, an approach to SRM in consulting projects will be derived including underlying themes and various stakeholder risk domains, thereby contributing to the academic field of risk management. In addition, the derived findings will be translated into actionable means in the form of two templates serving as a tool for stakeholder risk management in consulting teams, thereby fulfilling not only this research's theoretical relevance but also practical applicability.

The research starts with a review of relevant literature exploring current RM approaches, the role of stakeholders as risk contributors, and the special characteristics of the consulting profession. After a methodological deep dive, research findings will be described, highlighting the identified stakeholder risks and their management strategies at individual and organizational levels. Finally, an approach to SRM resting on underlying themes of SRM and stakeholder risk domains will be designed.

2. Literature Review

2.1 Approaches to Risk Management in Project Management

2.1.1 The Definition of Risk and Project Uncertainty

Project risk management is a prominent topic in the project management literature (Raz & Michael, 2001), even though overall project success is seldom directly attributed to successful risk management (Bannerman, 2008). In management literature, two primary terms appear that are inherent to projects and necessitate formal management: risks and uncertainty (Carvalho &

Rabechini, 2014; Chapman & Ward, 2003). Although various definitions can be found, those terms can be defined as “threats to project success” (Chapman & Ward, 2003). Hillson (2002) refines this by defining “risk” as encompassing both positive “opportunities” and negative “threats”. This is in line with the definition provided by the Project Management Institute (2021), which also acknowledges the duality of effects in which “risk” is a component of uncertainty with potentially positive (opportunity) or negative (threat) effects (Hillson, 2002). Drivers of uncertainty in projects include factors such as dynamism, complexity, complicatedness, and the involvement of multiple parties in projects (Browning & Ramasesh, 2015; Chapman & Ward, 2003). Browning and Ramasesh (2015) further emphasize the importance of discovering “unknown unknowns” and converting them into “known unknowns” that can be actively managed. Literature consensus calls for a dual approach (Carvalho & Rabechini, 2014), recognizing the continuum between risk and uncertainty in projects, underscoring the necessity of customized management strategies tailored to the unique conditions of each project (Müller & Turner, 2007).

2.1.2 Risk Management Approaches

Risk management activities aim to enhance risk perception and project success (de Bakker et al., 2011) by identifying, analyzing, and handling risk factors to achieve positive project outcomes (Bannerman, 2008). As a response, numerous frameworks, methodologies, and guidelines emerged to handle project risk management (PRM) (PMI, 2019; ISO, 2018; ISACA, 2012; ISACA, 2018; Chapman & Ward, 2003; Boehm, 1991; Fairley, 1994; Kliem & Ludin, 1997; Software Engineering Institute, 1996; Association for Project Management, 2018; Axelos, 2017). A comprehensive review of those approaches, provided in the Appendix (Appendix 1) shows the evidence in the literature about a shared agreement of included processes in PRM (Raz & Michael, 2001) such as risk identification, analysis, and management. However, traditional PRM frameworks have notable limitations. Common shortfalls include an

identification phase which lacks a useful structure for categorizing sources of uncertainty, an overly detailed definition phase (Chapman & Ward, 2003), and a focus on the hard side of PRM, lacking the soft side, including interpersonal dimensions. (Carvalho & Rabechini, 2014).

2.1.3 Risk Management according to the PMI standard for Risk Management

The *Standard for Risk Management* (PMI, 2019) is used as the primary PRM framework in this study, serving as an industry benchmark. The provided RM life cycle outlines a sequence of phases following risk management planning, risk identification, qualitative and quantitative risk analysis, planning and implementation of risk responses, and risk monitoring. (PMI, 2019)

Risk management planning aims to integrate risk considerations into project management by developing a risk management strategy that is aligned with acceptable risk levels. (PMI, 2019) This phase ensures that project objectives are clearly defined and aligns the risk management process with given project requirements (Hillson, 2002). It consolidates existing information and resolves uncovered gaps (Chapman & Ward, 2003) for the development of a risk management plan including available resources, escalation paths, methodologies, processes, tools, and techniques used, as well as update frequencies and reporting requirements (PMI, 2019).

Following planning, risk identification is performed, a process shown to be highly influential for project success (de Bakker et al., 2011). The purpose is to identify and expose all knowable risks to the extent possible, including input from a wide range of stakeholders (PMI, 2019). It thereby rests on operational inputs (e.g. project scope, estimates for time, cost and resources, and change requests) and contextual risks, often stemming from stakeholder influence (PMI, 2019). Techniques available are various and include brainstorming, workshops, prompts, and checklists (Hillson, 2002; PMI, 2019; Raz & Michael, 2001). A detailed list of specific tools and methods used at each stage can be found in the appendix (Appendix 2).

The PMI standard differentiates between qualitative and quantitative risk analysis; however,

both aim at diagnosing actionable changes in plans (Chapman & Ward, 2003). The qualitative risk analysis evaluates the importance of each risk to categorize and prioritize them based on factors such as probability, manageability, and project impact (PMI, 2019). Therefore, common methods include influence diagrams and probability-impact matrices (PMI, 2019; Williams et al., 2018). Quantitative risk analysis, on the other hand, provides numerical estimates to evaluate project success likelihood (PMI, 2019) forcing management to account for differences between targets, expected values, and commitments (Chapman & Ward, 2003). Techniques such as sensitivity analysis, decision trees, or a Monte Carlo simulation can be applied (Hillson, 2002).

Risk response actions are then determined based on the risk factor's priority and risk appetite specified in the risk management plan (PMI, 2019). The PMBOK poses five responses for managing threats: "Avoid", "Transfer", "Mitigate", "Accept" and the newly added response of "Escalate", applicable for threats outside the project scope (PMI, 2021). Appendix 3 provides a more detailed description of response strategies, including the management of positive risks. If the risk materializes, the agreed risk response actions are executed (PMI, 2021). In parallel, identified risks are constantly monitored to uphold viable response plans (PMI, 2021).

2.2 Stakeholders as Sources of Risk

2.2.1 Stakeholders in Projects

The notion of a "stakeholder" first appeared in management literature in 1963, emphasizing groups whose support is essential for organizational existence (Freeman, 1984). However, definitions of a "stakeholder" vary in management literature, as highlighted in Appendix 4. Freeman (1984) broadly defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives", highlighting their "stake" in the firm (Freeman, 1984). In the light of projects, stakeholders are those who have a "stake" or interest in the project's performance (Newcombe, 2003), including groups such as clients,

project managers, funding bodies, or end-users (Newcombe, 2003). Clarkson (1994) offers a distinct perspective, hypothesizing that risk underpins the concept of a stake: voluntary stakeholders "take a stake in a firm and bear some form of risk", while involuntary stakeholders "are (…) affected, placed at risk, or harmed" (Clarkson, 1994).

In projects, stakeholder conflicts represent significant, often unforeseen risks (Aalton & Sivonen, 2009) posed by complex and uncertain project environments (Carvalho & Rabechini, 2014). Thus, stakeholder management is recognized as a core soft skill area (Bourne & Walker, 2005) and an essential part of project success (Aalton & Sivonen, 2009). Thereby, the project itself can be seen as a "temporary coalition of stakeholders, having to create something together" (Jepsen & Eskerod, 2009). There is consensus that to effectively manage those impacts, stakeholders should be identified and mapped according to their power and influence to reduce negative effects (Bourne & Walker, 2005). Project managers are responsible for conducting this analysis to determine appropriate stakeholder attention levels and individual engagement strategies (Jepsen & Eskerod, 2009). Research shows that successful projects with superb stakeholder management implement processes of stakeholder identification, classification, analysis, and management (Aaltonen & Sivonen, 2009).

2.2.2 Stakeholder Identification

Stakeholder identification is a critical task (Bourne & Walker, 2005; Yang et al., 2009; Jepsen & Eskerod, 2009) requiring both analytical and intuitive skills from project managers (Bourne & Walker, 2005). Pouloudi and Whitley (1997) outline principles for stakeholder identification, emphasizing that stakeholders depend on context and time, cannot be viewed in isolation, and may shift positions over time. For this purpose, brainstorming, interviews, and generic stakeholder lists are commonly used tools (Jepsen & Eskerod, 2009); however, critics argue that generic stakeholder lists may not suit all contexts (Pouloudi & Whitley, 1997). Bourne and Walker (2005) present a stakeholder model (Appendix 5) that visualizes various stakeholder

groups, from the core team to the client organization, end users, invisible team members, and external groups.

The Stakeholder Salience model by Mitchell, Agle, and Wood (1997) is prominent in academic literature for the purpose of stakeholder identification, however, also finds application in stakeholder analysis. It poses identification and classification based on the stakeholder's possession of three key attributes: power, urgency, and legitimacy (Jepsen & Eskerod, 2009; Yang et al., 2009). Power can be seen as the primary attribute influencing project decision-making (Olander, 2007), however, definitions and types of power vary in literature. Etzioni (1964) identifies coercive, utilitarian, and normative power (Mitchel et al., 1997). Yukl (2013) classifies power into positional, personal, and political power (Bourne & Walker, 2005), and Greene and Elffers (2000) outline seven forms of power, including connection, referent, and informational power (Bourne & Walker, 2005). Mitchell, Agle, and Wood (1997) draw from Dahl (1957), Pfeffer (1981) and Weber (1947), by defining power as a social relationship where one actor can influence another to act differently than they otherwise would (Mitchell et al., 1997). To assess power, project teams and managers should utilize their understanding of stake-holders and the organizational context (Jepsen & Eskerod, 2009). Therefore, social network mapping is a useful tool for visualizing power and influence patterns (Bourne & Walker, 2005). Mitchell, Agle, and Wood (1997) adopt Suchman's (1995) definition of legitimacy describing it as actions that align with a socially constructed system of desirability (Mitchell et al., 1997). It might be argued from a moral perspective, that legitimacy may be seen as more important than power since it addresses the needs of rightful stakeholders (Olander, 2007). Finally, urgency denotes the immediacy of a stakeholder's claim, based on time sensitivity and criticality (Mitchel, 1997). The interplay of power, legitimacy, and urgency allows for the classification of stakeholders into eight categories (Appendix 6) which pose distinctive engagement strategies.

2.2.3 Stakeholder Classification & Analysis

A stakeholder analysis is essential to assess stakeholder attributes and explore their influence, needs, and constraints (Jepsen & Eskerod, 2009; Yang et al., 2009; Pouloudi & Whitley, 1997; Newcombe, 2003). A key tool for this purpose is the stakeholder impact matrix (Olander, 2007; Johnson & Scholes, 1999), which represents a stakeholder's potential impact and the likelihood of them exercising their influence (Yang et al., 2009) in a visual format (Bourne & Walker, 2005), serving as a valuable planning and evaluation tool (Olander, 2007). Extensions to this tool can also involve the addition of power and predictability to further measure stakeholder expectations (Newcombe, 2003). In contrast, critics of the power-interest matrix argue that it only indicates if a stakeholder should be managed or not, but now answers how to manage the stakeholder (Aaltonen & Sivonen, 2009).

Jepsen and Eskerod (2009) propose categorization based on needed contributions, expectations, and power relative to the project, while Freeman (1984) suggests a similar classification based on observed behaviors, cooperative potential, and competitive threat. In addition, effective stakeholder management requires certain conditions. Project managers should be able to identify and assess key stakeholders on various dimensions, while stakeholder coalitions need to be stable (Jepsen & Eskerod, 2009). This underscores the necessity for an iterative, long-term approach to stakeholder identification and analysis (Pouloudi & Whitley, 1997).

2.2.4 Stakeholder Management

Stakeholder management reflects the project management team's approach to engage with the various stakeholders involved in the project (Yang et al., 2009). This requires not only developing strategies for stakeholder engagement but also anticipating stakeholder reactions to these strategies (Yang et al., 2009), as stakeholders may exercise varying levels of support or opposition, thereby influencing required attention levels (Jepsen & Eskerod, 2009). Effective communication is critical for stakeholder support and commitment (Briner et al., 1996).

Several response strategies are outlined in management literature. Oliver (1991) identifies strategies such as acquiescence, compromise, avoidance, defiance, and manipulation, while Aaltonen and Sivonen (2009) propose five generic response strategies such as adaption, compromise, avoidance, dismissal, and influence (Appendix 7). Freeman (1984) further emphasizes the role of participation, incentives, and shared values in gaining stakeholder commitment.

2.2.5 Approaches to Stakeholder Risk Management

Various approaches to stakeholder risk management are presented in management literature. The PMBOK incorporates Freeman's (1984) stakeholder definition and establishes controls for managing project stakeholder risk, considering life-cycle risks, and environmental influences, as well as risks resulting from the selected management approach, and control activities (PMI, 2019). Following this, the PMI Practice Standard for Project Risk Management (2019) underscores the importance of early stakeholder analysis, continuous and transparent communication, realistic expectation management, and proactive engagement strategies to identify resistance or support levels. The PRINCE2 (Axelos, 2017) framework aligns with the principles of stakeholder identification, engagement, and role distribution, while also highlighting the importance of systematic risk identification, assessment, and documentation processes supported by regular reviews and adjustments. Similarly, ISO 31000 (ISO, 2018) further highlights risk communication as essential for managing expectations and fostering trust. In addition, a comprehensive communication strategy is vital for risk mitigation (Cooper et al., 2005). The COBIT Core Model offers the governance objective EDM05, focusing on supportive stakeholder engagement, effective communication, and reporting (ISACA, 2018). This model includes activities for stakeholder identification, as well as reporting and communication requirement examination (ISACA, 2018).

Huemann and Turner's sixth edition of *The Handbook of Project Management* (2024) is one of the most up-to-date publications on this topic. It emphasizes the importance of stakeholder

identification and analysis, posing techniques such as stakeholder mapping, interviews, and workshops to understand needs and expectations, prioritize stakeholders, and establish engagement plans with structured reporting. Therefore, early definition and documentation of roles, responsibilities, and realistic project goals is essential to align expectations and mitigate risks (Huemann & Turner, 2024). They further emphasize relationship building to gain trust and recommend flexible risk management approaches, including scenario planning.

An interesting concept, worthwhile to note, is the Stakeholder Circle model (Appendix 8) by Bourne and Walker (2005) posing action recommendations for risk mitigation and stakeholder engagement. It incorporates stakeholder proximity, scale and scope of influence, and degree of impact, following a five-step methodology of identification, prioritization, visualization, engagement, and monitoring (Bourne & Walker, 2008). The "Six W's framework" (Appendix 9) by Chapman and Ward (2003), provides another useful model, addressing trade-offs between time, cost, and quality for various project stakeholders (Chapman & Ward, 2003).

2.3 The Consulting Profession

2.3.1 The Professional Service Firm Industry

Management consulting focuses on transferring knowledge from the consultant to the client (ILO, 2002). The International Labour Office defines management consulting as "an independent professional advisory service assisting (…) organizations to achieve organizational purposes and objectives" (ILO, 2002). This service aims to address business problems, seize new opportunities, and implement change while providing information, specialized resources, and expert insights (ILO, 2002). Consulting services are often sought when internal skills or expertise are lacking, for objective validation of actions, or for executives seeking control over decision-making processes (Sturdy, 1997). However, a paradox exists in the consultant-client relationship, where consultants' rational solutions can reinforce managerial anxiety toward new strategies and organizational control (Sturdy, 1997).

The consulting industry is characterized by high knowledge intensity, a great degree of customization, and discretion, necessitating significant interaction among stakeholders (Lowendahl, 2005). Unlike traditional management principles, such as standardization and routinization, consulting relies heavily on personal interactions, which complicates an objective quality assessment due to the intangibility of the service (Lowendahl, 2005).

Given the involvement of and effect on multiple stakeholders – on the client and consultant side - (ILO, 2002), attention to the interactive nature of those processes is crucial (Sturdy, 1997). Studies show that collaborative projects, where managers and owners work in partnership with medium levels of structure, yield optimal project performance. Effective consulting, therefore, requires identifying client managers, understanding their problem definitions, and recognizing possible hidden agendas (Sturdy, 1997), alongside further stakeholders within or outside the project (Newcombe, 2003). According to Newcombe (2003), stakeholders interact in two project arenas: the cultural arena, reflecting shared values among the project participants, and the political arena, where stakeholders exert power to meet their objectives, making recognizing the political dynamics among stakeholders (Pouloudi & Whitley, 1997) and identifying those stakeholders responsible for implementing project outcomes essential (ILO, 2002).

2.3.2 Project Structures and Management in the Professional Service Firm Industry

A project is commonly defined as a temporary arrangement to which resources are assigned to complete a unique, novel, and temporary effort (Turner & Müller, 2004). In consulting, projects typically follow distinct phases of entry, diagnosis, action planning, implementation, and termination (ILO, 2002). During these phases, the consultant-client relationship is characterized by jointly defining the problem, clarifying expected results, and specifying the individual roles of both consultants and clients (ILO, 2002; see Appendix 10). In this structure, the project owner funds the project, while the project manager oversees daily project execution and delivery (Turner & Müller, 2004), placing these stakeholders in a principal-agency relationship

that is marked by information asymmetry and dependencies (Turner & Müller, 2004).

3. Methodology

This research rests on a mixed methods design that combines both quantitative and qualitative research techniques given their inclusive, pluralistic, and complementary nature (Johnson & Onwuegbuzi, 2004; Creswell & Clark, 2017). The methodological pluralism offers broader perspectives than single-method designs, ultimately enhancing the research depth (Azorin & Cammeron, 2010). While quantitative data provides broad perspectives of the research problem based on responses from a large sample, qualitative data insights are more in-depth and can refine and interpret statistical findings (Ivankova et al., 2006; Creswell & Clark, 2017). Each method offers distinct perspectives and in combination strengths of both are leveraged while each inherent limitations are minimized (Creswell & Clark, 2017) enhancing overall insight into the research question (Venkatesh et al., 2013).

3.1 Research Question and Hypotheses

This research seeks to develop a methodical approach that will support project managers in consulting projects navigating through the process of managing stakeholder risks. Therefore, a central research question has been formulated to guide this investigation:

Research Question: *"How to identify and analyze stakeholders as key sources of risk for projects in the consulting industry?"*

In addition, three core hypotheses have been developed, that underpin this research question. **First**, it is hypothesized that consulting project managers perceive stakeholder-related risks as critical elements that require formal risk management strategies *(H1)*. **Second**, current stakeholder risk management is conducted on a highly individualized basis, varying greatly among different project managers *(H2).* **Third**, it is assumed that there are no widely accepted guidelines and approaches for systematically identifying and analyzing stakeholder risks in consulting projects *(H3)*. While the first hypothesis aims to legitimate the importance of the

topic, validating the need for structured stakeholder risk management, hypotheses H2 and H3 are designed to identify existing gaps and best practices in stakeholder risk management, underscoring the necessity of providing project managers with a methodical approach for stakeholder risk management, thereby building the body of this research.

3.2 Methods of Data Collection and Analysis

In mixed methods research design, decisions regarding the weight of each data collection method (Priority), the sequence of data collection (Implementation), and the approach for combining the data (Integration) need to be made (Ivankova et al, 2006; Azorin & Cammeron, 2010). In this study, the primary focus is set on quantitative research due to its statistical robustness and suitability for forming methodological approaches. Consequently, the research starts with a quantitative survey, which is then followed by qualitative expert interviews. Concerning integration, both data types are combined for the purposes of triangulation and complementarity (Bryman, 2006), thereby following a convergent design approach (Creswell & Clark, 2017). In this research setting, qualitative data serves for corroboration and elaboration of findings stemming from the quantitative survey.

As a means of data collection, a quantitative survey featuring 23 questions designed for project managers in the consulting industry was conducted through Qualtrics over a period of 8 weeks, ultimately reaching 109 participants. Participants were recruited from personal networks and direct outreach on LinkedIn. Following the survey, 8 qualitative semi-structured expert interviews with project managers from the consulting industry were conducted. Each interview lasted approximately 30 minutes and followed a questionnaire with 16 pre-formulated questions. The semi-structured nature of the interviews allowed for additional, spontaneously generated questions to delve deep into emerging themes. The interviews were held online and included participants from Germany and Great Britain.

After data collection, quantitative survey data was analyzed to form the database for further

theory development. The qualitative data generated from the interviews was analyzed following a structured coding process by identifying 1st order concepts, 2nd order themes, and aggregated dimensions. MAXQDA was the tool of choice for qualitative data analysis, supporting the categorization and in-depth examination of key themes raised by the participants.

4. Research Findings

A coding scheme highlighting key aspects of stakeholder risk management emerged and was applied during data analysis, forming the structure for the following abstract. The findings are organized into three main areas: The importance of stakeholder risk management, emphasizing its frequency and impact; the classification of stakeholder risks into themes identified during this research; and SRM tactics. These tactics are further divided into formal approaches (at both personal and organizational levels) and actual SRM encompassing the phases of stakeholder identification, risk assessment, and risk management (Appendix 11).

4.1 The importance of Stakeholder Risk Management

The importance of SRR is assessed based on frequency and impact. Frequency refers to the rate of SRR occurrences, while impact represents the effect of SRR on project results. The survey reveals that SRR occur very regularly. 81% of respondents stated that SRR arise “often” or “always”, while less than 4% report that they occur “rarely” or “never”, confirming that SRR are a frequent concern in PM. In terms of impact, 93% of participants consider SRR as important in consulting projects, whilst 90% believe that they have a substantial influence on project success, proofing the significant role of SRR. In addition, it needs to be noted that the impact varies depending on the role and responsibility of the stakeholder within the project. Considering this and recalling the first hypothesis, it can be concluded that SRR are critical elements in consulting projects. Their frequency and impact show the need for structured risk management practices, reinforcing the relevance and importance of this research.

4.2 Types of Stakeholder Risks

Stakeholder risks manifest across a variety of dimensions. Several overarching categories emerged to guide this analysis (Appendix 11). These categories include team-related risks, time and scope constraints, interpersonal dynamics, project team changes, and client-specific risks.

Team-Related Risks: These risks, centered on the composition and dynamics of the internal and external project team including team size, qualifications, and working styles, occur already in the resourcing process. While insufficient stakeholder resources can hinder timely task completion in the desired scope, an oversized team complicates decision-making, also leading to delays. In addition, competency mismatches, where stakeholder qualifications are misaligned with project requirements, also pose risks since stakeholder skill profiles might not fit the assigned tasks. In addition, divergent working styles can introduce timing issues. While pragmatic teams tend to have fast decision-making, academic styles demand multiple iterations. Although less discussed in this study because of potential bias, cultural or geographic variation among project stakeholders also represents another risk source.

Time and Scope Constraints: Unrealistic timelines, budgets, and resource allocations frequently create timing risks, often resulting in project delays. In the light of SRR, individual stakeholders may pose timing issues by advancing deliverable deadlines, putting time pressure on project teams. Furthermore, project stakeholders can introduce scope changes. Depending on the frequency and extent of alterations in scope, existing project structures may get interrupted, and even require a restart of the project, leading to further delays.

Interpersonal Dynamics and Attitudes: Interpersonal factors, such as fear, political issues, or hidden agendas amongst project stakeholders, are significant risk sources. Effective communication is critical in managing these risks, yet miscommunication or a lack of stakeholder engagement can aggravate those tensions. Hidden agendas are particularly prevalent in projects with new or unfamiliar clients, where interpersonal relationships are not

yet well-established. Additionally, stakeholder attitudes toward the project can influence risk. While internal stakeholders might feel not responsible for committing to superb quality delivery, external stakeholders might show resistance to change, have conflicting interests, show profiling mania, or misuse their influence, which can threaten project success. Divergent and misaligned expectations concerning project outcomes contribute to these risks further.

Project Team Changes: Changes in project teams, such as the addition or departure of project stakeholders, are significant risk factors on both, internal and external, sides. Temporary absences (e.g., due to illness or vacation) or permanent departures (e.g., contract terminations) can destabilize projects. Similarly, onboarding new stakeholders often reintroduces risks such as competency mismatches or divergent expectations depending on the familiarity with the project. The involvement of additional external stakeholders, such as parent companies or investors, can further complicate projects due to varying interests, availabilities, and expertise.

Client-Specific Risks: Client-sided issues, such as a lack of authority or decision-making power by stakeholders failing to obtain approvals promptly can result in delays. Further, regulatory or compliance requirements can also introduce risks that need to be managed.

While stakeholder risks are numerous, not all factors carry equal weight. Research findings indicate that certain risks, such as conflicting stakeholder interests, misaligned expectations, and lack of stakeholder engagement, are frequently associated with stakeholders. A comprehensive overview of these survey results can be found in Appendix 12.

4.3 Stakeholder Risk Management Tactics

The research revealed a distinction between formalized SRM strategies and actual practices adopted by project managers in the consulting industry. In addition, this study categorized formal risk management practices into personal and organizational levels.

On a personal level, approximately two-thirds of project managers consider stakeholder risks in their formal management strategy. However, only 20% of respondents identify and analyze

stakeholders regularly using a structured framework. While approximately 40% of participants were familiar with formal project risk management frameworks, such as PMBOK, ISO standard, or PRINCE 2, only 10% reported their consistent use. A majority, 62%, indicated that they employ no formal methods, instead they rely on custom-developed tools (37%). Qualitative expert interviews support these findings, further highlighting the role of the project proposal (outlining roles, timelines, and activities) as an informal tool for managing SRR.

On the organizational level, inconsistencies were similarly evident. While 30% reported the presence of a formal process for managing SRR in their organization, only 17% stated that there are guidelines, stemming from internal policies for identifying, analyzing, and managing stakeholder risks which they actively use. Further, only 12% of respondents believe that SRM is carried out consistently in their organization, proving the existent inconsistencies among various organizations. Qualitative insights approve this showing a significant lack of standardization. This supports the research hypotheses (H2 and H3) showing that SRM is conducted on a highly individualized basis lacking consistent methodology.

The SRM process typically involves stages of stakeholder identification, risk analysis, and management. Findings show that project managers frequently rely on internal documentation (e.g. organizational charts), direct observations, and interviews with project leaders for the purpose of stakeholder identification. Common criteria for classifying stakeholders include the role in the project, the stakeholder group, degrees of power/influence, and knowledge.

Those findings contrast with recommendations from academic literature, which emphasize tactics like brainstorming, or the use of generic stakeholder lists (Jepsen & Eskerod, 2009) and a classification based on attributes of power, urgency, and legitimacy (Mitchel et al., 1997).

This research identified four primary stakeholder groups: Internal project teams, client-sided project teams, external stakeholders (e.g. parent companies or other departments), and project sponsors. The risk posed by these groups varies depending on the project context. While project

sponsors were often associated with risks related to expectation management, day-to-day project teams are confronted with risks stemming from interpersonal relationships, availabilities, fears, and knowledge. In addition, mismatched skill profiles in internal consulting teams are also a potential risk source.

Those findings highlight the gap between formal SRM practices and their actual implementation. In terms of risk identification, most project managers rely on personal intuition, past experience, and internal company templates rather than formal tools. Only 10% of respondents apply structured frameworks for risk identification. Instead, more than 90% rely on informal discussions for analyzing stakeholder risks, again proving that SRM is taken out on a highly individualized basis lacking formal management. Methods and tools prominent in literature, such as the stakeholder impact matrix (Olander, 2007), stakeholder mapping, or a formal risk analysis (Huemann & Turner, 2024) do not find real-world application.

In actual SRM, communication emerged as a central pillar. Proactive stakeholder communication and engagement, in the form of regular check-ins and clear communication plans, were perceived as critical, proving that effective communication is essential to secure stakeholder support and commitment (Briner et al., 1996). Project managers emphasized the importance of showing appreciation by valuing opinions, assigning responsibilities, and fostering partnerships to build trust and commitment. These findings underscore the importance of soft skills, emotional intelligence, and the role of relationship-building, aligning with Bourne and Walker (2005). Casual conversations or shared activities, such as team dinners with all project stakeholders, were also highlighted as effective methods to foster strong relationships. Further, expectation management proved to be a critical aspect. Aligning stakeholder expectations with project objectives and realistic project outcomes mitigates potential conflicts and addresses conflicting stakeholder interests early in the project. Documenting decisions and outcomes throughout the project further supports effective expectation management.

Findings consistently emphasized the importance of proactivity in managing stakeholder risks. Proactive SRM includes aspects such as identifying potential issues early, while actively and continuously monitoring stakeholder engagement and reacting promptly in case of resistance. Flexibility in SRM is a key concern and enables managers to adapt to emerging challenges.

Findings show, that formal risk management tools, such as power/influence assessments, risk registers, and contingency planning, are perceived as less effective than interpersonal and relational approaches. Only 12,5% of respondents perceived formal SRM as effective. Instead, stakeholder alignment, proactive management, and relationship-building were identified as the most effective SRM tactics.

These findings highlight a significant gap between formal SRM methodologies and their practical application. Although SRR are widely seen as critical, most project managers rely on unstructured and informal approaches. This disconnect underscores the need for another approach merging theoretical relevance with practical application.

5. Discussion

This research discovered a significant gap between formal SRM methodologies and their real-world application. Since SRM is often conducted on a highly individualized basis, lacking, but requiring, a structured approach, the primary contribution of this study is to bridge this gap by offering a practical tool designed for real-world application grounded in theoretical insights. A pluralistic approach was adopted to ensure both, academic and practical relevance. Ultimately, an approach to the SRM process in consulting projects emerged from the analysis

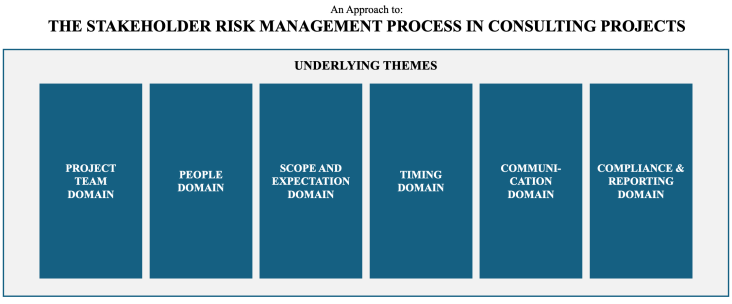

Figure 1 (An Approach to: The Stakeholder Risk Management Process in Consulting Projects)

of research findings, contributing to the theoretical relevance of this study (Figure 1 & Appendix 13). This approach consists of underlying themes and six distinct domains within the SRM process. In addition, two templates emerged from research insights, providing practical implications (Appendix 14 & Appendix 15). These templates were built based on the underlying themes and SRM domains and are designed to equip consulting project managers with a solid structure for the SRM process. This study offers a comprehensive contribution to advancing SRM in consulting projects, by integrating theoretical constructs with practical tools, thereby addressing the identified gap in management literature and enabling project managers to perform SRM more consistent and structured.

5.1 Underlying Themes

Over the course of the research six underlying themes for SRM have been identified, providing a structure and boundary conditions for the SRM process. First, it is essential to acknowledge the critical importance of SRM and the necessity of a structured approach to its management. Second, SRM is a process encompassing the three core stages of stakeholder identification, risk analysis, and risk management, thereby aligning with widely referenced approaches in management literature. Third, SRM is a proactive and flexible process requiring continuous updates and revisions to maintain effectiveness throughout the project lifecycle. Also, relationship-building and soft skills are central to SRM. It can be seen as a core soft skill area involving the management of people and building strong relationships among project stakeholders to employ effective risk management. Further, SRM should address the following identified risk domains as a comprehensive approach while considering the underlying themes. SRM primarily focuses on managing known risks and prepares project managers to cope with unknown risks in case they arise. These underlying themes form the foundation for effective SRM by guiding project managers in managing both predictable and unforeseen risks. In conclusion, SRM success depends heavily on soft skills. Likewise, project managers should

follow a structured process integrating stakeholder identification, risk analysis, and risk management while maintaining a proactive and flexible approach addressing the set domains.

5.2 Stakeholder Risk Management Domains

Derived from the study's quantitative and qualitative findings, six domains emerged to guide the SRM process, providing concrete focus areas alongside the underlying themes. These domains can be divided into the project team-, people-, scope and expectation-, timing-, communication-, as well as the compliance and reporting domain comprehensively addressing key risk factors and establishing a structured approach to SRM.

The **project team domain** focuses on risks associated with the composition and setup of both internal and client-side project teams. It involves identifying all project team members, their roles in the project, as well as their individual skills, competencies, and areas of expertise to ensure responsibilities are clearly assigned according to individual skill profiles. Time contributions and ways of working are clarified addressing timing risks caused by insufficient availabilities or divergent working styles. Additionally, client-sided stakeholders should be assessed for their authority and decision-making power to avoid delays stemming from a lack of approval. Also, individual power and influence dynamics are analyzed to identify stakeholders critical for project success.

While the project team domain focuses on stakeholder identification, the **people domain** delves into analyzing individual project stakeholders to uncover personal and interpersonal risk factors. This includes addressing issues such as fear, resistance to change, hidden agendas political tensions, and conflicting stakeholder interests, thereby considering known client-sided interpersonal relationships. While those factors and relationships may be known for existing clients, they are often harder to identify for new clients requiring time to uncover. Therefore, assumptions related to the people domain should be revised and updated regularly. Depending on the assessed levels of power and influence, and factors uncovered in the people domain,

stakeholders of particular concern whose behavior may pose significant risks can be identified.

The **scope and expectation domain** focuses on aligning stakeholder expectations with project objectives and realistic project outcomes. It emphasizes the need to clearly define overall project goals, deliverables, deadlines, and in-scope and out-of-scope activities to prevent frequent scope changes or scope creep. By establishing a solid foundation for expectation management, this domain ensures that project activities and outcomes align with stakeholder needs and expectations, reducing potential conflicts due to misalignment.

Closely linked to this is the **timing domain**, which aims to ensure that the agreed activities, scope, and expectations are achieved within the designated timeframe. A core aspect of the timing domain is to evaluate stakeholder resource availability and needed project phase time contributions to identify potential gaps or overages in resource allocation, possibly resulting in timing issues. Also drawing on insights from other domains, it proactively addresses risks related to unrealistic budgets, insufficient resources, or unforeseen scheduling delays, helping maintain project timelines.

The **communication domain** focuses on consistent and effective stakeholder engagement through structured communication plans. This includes defining meeting types, frequencies, durations, and meeting participants to prevent a lack of stakeholder engagement. Additionally, the purpose of each meeting type should be defined to avoid miscommunication. Senior leadership and project sponsors are also engaged as part of this process, minimizing miscommunication by fostering alignment and collaboration. Maintaining clear and proactive communication plans prevents communication breakdowns, thereby also addressing stakeholder resistance due to constant involvement and engagement throughout the project lifecycle.

Finally, the **compliance and reporting domain** addresses risks associated with regulatory and reporting requirements. It ensures that compliance obligations are identified and fulfilled, with proper documentation and reporting practices in place to mitigate risks related to non-

compliance or incomplete reporting. Therefore, this domain helps maintain project accountability and ensures alignment with stakeholder compliance and reporting standards.

These six domains, combined with the underlying themes, provide a holistic and pragmatic approach to SRM in consulting projects. The findings of this study highlight that existing tools and methodologies derived from academic literature often lack practical applicability, as they tend to focus on isolated aspects of SRM rather than addressing the process comprehensively. This integrated approach to SRM highlights relevant domains and themes for improving the practical relevance and effectiveness of SRM in real-world consulting environments.

5.3 Derived Templates for Stakeholder Risk Management in Consulting Projects

Two templates were developed to provide consulting project managers with a pragmatic approach based on the research findings. Both templates are structured around the underlying themes of SRM and the six identified domains. The first template (Appendix 14) adopts an actionable design, offering a structured format aimed to be filled out by the project team. The second template (Appendix 15) consists of guiding questions tailored to each domain, thereby offering a more flexible yet less structured approach to SRM. The primary benefit of the actionable template lies in its ability to comprehensively formalize and document the SRM process. It is recommended to use it as the primary tool for structuring and documenting the SRM process. Meanwhile, the guiding questions serve as a complementary resource, providing qualitative insights and inspiration that can enhance the outcomes of the actionable template.

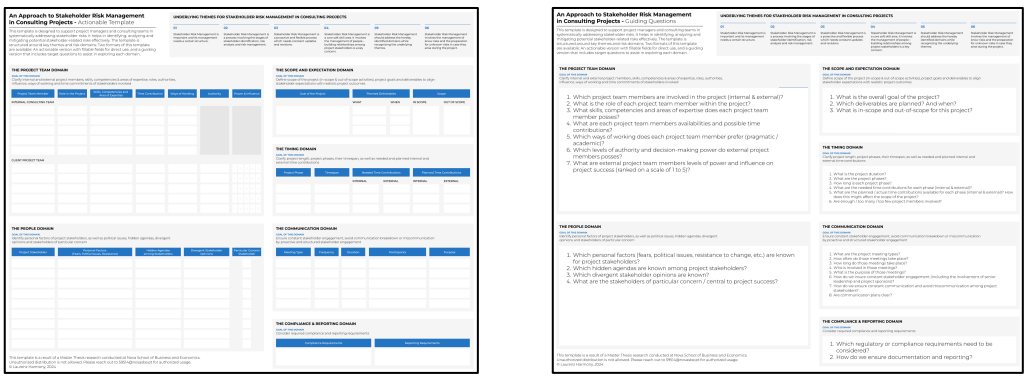

Figure 2 (Templates for Stakeholder Risk Management in Consulting Projects)

By combining the structured approach of the actionable template with the flexibility of the guiding questions, project teams can maximize the utility of both tools, creating a structured SRM approach. Both templates are designed to find application during the entire project lifecycle. However, to obtain the greatest benefit, they should ideally be employed during the early stages of the project, including the proposal stage. Their interactive and dynamic design allows for continuous updates and revisions, combining stakeholder identification, risk analysis, and risk mitigation within a single, integrated tool. This adaptability positions these templates as novel tools for managing SRR in consulting projects.

6. Conclusion

This research explored stakeholders as sources of risk in consulting projects, including the identification, analysis, and mitigation of associated stakeholder risks. A mixed-method research design was employed to address the importance of SRR as well as organizational and individual strategies for managing these risks.

The findings reveal that stakeholder risks occur frequently and exert a substantial impact on project success, thereby validating H1. Additionally, current SRM practices are highly individual. Findings show that most project managers do not formally identify and analyze SRR on a structured and regular basis. There are no widely accepted guidelines or frameworks that find application on an organizational or individual level, reaffirming H2 and H3. This discrepancy between the recognized necessity for structured SRM and its actual execution underscores the need for a novice approach to SRM in consulting projects.

In response to the research question and to bridge the current gap in management literature, a comprehensive approach for stakeholder risk management in consulting projects, including stakeholder identification, risk analysis, and mitigation has been developed based on the research findings. This approach rests on six underlying themes, building the foundation of the SRM process, and six SRM domains addressing project team factors, scope and expectations,

timing, interpersonal factors, communication, and compliance and reporting. Those findings were translated into actionable means in the form of two templates designed to assist consulting project managers in managing the SRM process, bridging both theoretical and practical aspects of this research.

Despite its contributions, this study acknowledges certain limitations. While this research targeted consulting project managers, no distinction was made concerning specific consulting industry subfields. In addition to that, it did not account for variations in overall company size and average project team size. Also, the geographical focus was set to Germany. Due to scope constraints, this research focused primarily on the importance of SRR in consulting projects as well as ways of risk identification, analysis, and mitigation with limited attention given to risk review and tracking methods, which were briefly mentioned but not comprehensively explored. Overall, the topic of SRR in consulting projects has not been thoroughly researched in academic literature. While this work can be seen as an initial contribution, it also poses various possibilities for future research. Further investigation into the individual stages of the SRM process in this context could provide deeper insights, particularly focusing on the later stages of the project risk management cycle. Moreover, the effectiveness and real-world applicability of the developed SRM approach should be validated through additional empirical research. Addressing the limitations of this study, future contributions could integrate consulting industry subfields, geographic variations, as well as the influence of company and average team size on SRM practices.

Nevertheless, this research significantly contributes to this mostly untouched area of project risk management literature and advances the understanding of SRR. It provides novice insights and practical tools relevant to the management of SRR in the context of the consulting industry, thereby contributing to addressing this gap in academic literature and building a pathway for further studies in this field.

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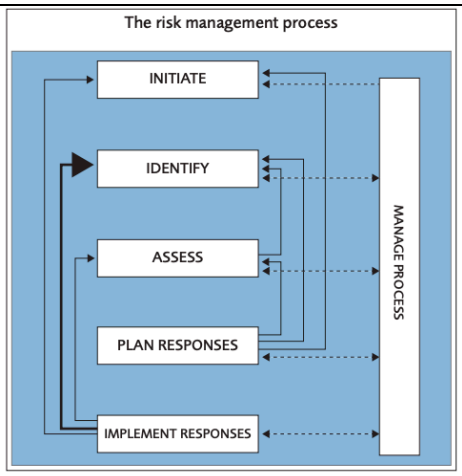
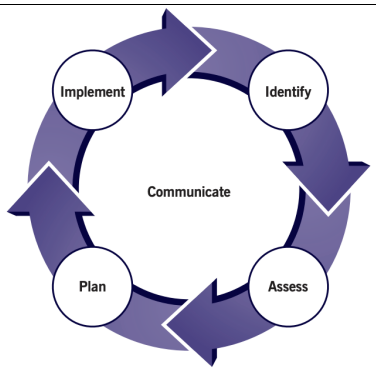
Appendix

Appendix 1 – Comparison of Project Risk Management Frameworks and Approaches

Framework	Process
COBIT2019 & COBIT5 (ISACA, 2012; ISACA 2018)	1. Collect data 2. Analyze risk 3. Maintain a risk profile 4. Articulate risk 5. Define a risk management action portfolio 6. Respond to risk
SHAMPU (Chapman & Ward, 2003)	1. Define the project 2. Focus the process 3. Identify the issues 4. Structure the issues 5. Clarify ownership 6. Estimate variability 7. Evaluate implications 8. Harness the plans 9. Manage implication
ISO 31000:2018 (ISO, 2018)	1. Scope, context criteria 2. Risk assessment 2.1 Risk identification 2.2 Risk analysis 2.3 Risk evaluation 3. Risk treatment

PMI Standard for Risk Management (PMI, 2019)	1. Plan risk management 2. Identify risk 3. Perform qualitative risk analysis 4. Perform quantitative risk analysis 5. Plan risk responses 6. Implement risk responses 7. Monitor risk
Software Risk Management (Boehm, 1991)	1. Risk assessment 1.1 Risk identification 1.2 Risk analysis 1.3 Risk prioritization 2. Risk control 2.1 Risk-management planning 2.2 Risk resolution 2.3 Risk monitoring
Elements of Risk Management (Fairley, 1994)	1. Identify risk factors 2. Assess risk probabilities and effects 3. Develop strategies to mitigate identified risks 4. Monitor risk factors 5. Invoke a contingency plan 6. Manage the crisis 7. Recover from a crisis
Risk management steps (Kliem & Ludin, 1997)	1. Risk identification 2. Risk analysis 3. Risk control

	4. Risk reporting
SEI risk management paradigm (Software Engineering Institute, 1996)	1. Identify 2. Analyze 3. Plan 4. Track 5. Control
PRAM Guide (Association for Project Management, 2018)	 Figure 1. Risk management process
PRINCE2 (Axelos, 2017)	

Appendix 2 – Tools & Techniques for Project Risk Management

Source: Tools & Techniques for Project Risk Management retrieved from Raz & Michael (2001) "Use and benefits of tools for project risk management"

Phase	Tools
Identification	– Checklists – Brainstorming – Risk documentation form – Periodic risk reporting
Analysis	– Risk probability assessment – Risk impact assessment – Risk time frame assessment – Risk classification – Ranking of risks – Graphic presentation of risk information
Planning	– Responsibility assignment – Planning for risk mitigation – Time-limited action-item lists – Cost-benefit assessment during risk planning – Cause and effect analysis during risk planning – Project replanning for risk mitigation
Tracking	– Revision of risk assessments – Periodic document reviews – Periodic risk status reporting – Periodic reporting of risk mitigation plans – Periodic trend reporting

	– Critical risk reporting to senior management
Control	– Analysis of trends, deviations and exceptions – Project replanning – Procedure for closing risks – Contingency plans for risk mitigation failure – Cost-benefit analysis during risk control – Cause and effect analysis during risk control
Background	– Prototyping – Simulation – Benchmarking – Requirements management – Subcontractor management – Configuration control – Quality control – Quality management – Training programs – Customer satisfaction surveys

Appendix 3 – Risk Response Strategies

Source: Risk Response Strategies retrieved from PMI (2019)"The Standard for Risk Management in Portfolios, Programs, and Projects"

Five responses may be considered for dealing with threats:

- **Escalate.** Escalation is appropriate when a threat is outside of the portfolio, program, or project scope or when the proposed response exceeds a given manager's authority. Escalated risks are managed at the enterprise domain, portfolio domain, program domain, or other relevant part of the organization. Ownership of escalated threats is accepted by the relevant party in the organization. A threat is usually escalated to the appropriate level that matches the objective that would be affected if the threat occurred.
- **Avoid.** Risk avoidance is when the portfolio, program, or project team acts to eliminate a threat or protect activity from risk impact. It may be appropriate for a high-priority threat with a high probability of occurrence and a large negative impact. Avoidance may involve changing some aspect of the management plan or changing the objective that is in jeopardy in order to eliminate the threat impact entirely. Should the risk materialize, it would have no effect with respect to the objective. The risk owner may also take action to isolate the objective from the risk's impact if it were to occur.
- **Transfer.** Transfer involves shifting responsibility of a threat to a third party to manage the risk and to bear the impact if the threat occurs. Risk transfer often involves payment of a risk premium to the party taking on the threat.
- **Mitigate.** In risk mitigation, action is taken to reduce the probability of occurrence and/or impact of a threat. Early mitigation action is often more effective than trying to repair the damage after the threat has occurred. Where it is not possible to reduce probability, a mitigation response might reduce the impact by targeting factors that drive the severity.
- **Accept.** Risk acceptance acknowledges the existence of a threat, but no proactive action is taken. This strategy may be appropriate for low-priority threats, and it may also be used where it is not possible or cost effective to address a threat in any other way. Acceptance can be either active or passive. The most common active acceptance strategy is to establish a contingency reserve, including amounts of time, money, or other resources to handle the threat if it occurs. Passive acceptance involves no proactive action apart from periodic review of the threat to ensure that it does not change significantly.

Five responses may be considered for dealing with opportunities:

- **Escalate.** This risk response strategy is appropriate when an opportunity is outside the portfolio, program, or project scope or when the proposed response exceeds a given manager's authority. Escalated opportunities are managed at the program domain, portfolio domain, or other relevant part of the organization. It is important that ownership of an escalated opportunity is accepted by the relevant party in the organization. Opportunities are usually escalated to the right level that matches the objectives that would be affected if the opportunity occurred.
- **Exploit.** The exploit strategy may be selected for high-priority opportunities where the organization wants to ensure that the opportunity is realized. This strategy seeks to capture the benefit associated with a particular opportunity by ensuring that it definitely happens, increasing the probability of occurrence to 100%.

- **Share.** Sharing involves transferring ownership of an opportunity to a third party so that the third party shares some of the benefit if the opportunity occurs. It is important to carefully select the new owner of a shared opportunity to ensure capture of the opportunity for the benefit of the portfolio, program, or project. Risk sharing often involves payment of a risk premium to the party taking on the opportunity.
- **Enhance.** The enhance strategy is used to increase the probability and/or impact of an opportunity. Early enhancement action is often more effective than trying to improve the benefit after the opportunity has occurred. The probability of occurrence of an opportunity may be increased by focusing attention on its causes. Where it is not possible to increase probability, an enhancement response might increase the impact by targeting factors that drive the size of the potential benefit.
- **Accept.** Accepting an opportunity acknowledges its existence, but no proactive action is taken. This strategy may be appropriate for low-priority opportunities, and it may also be adopted where it is not possible or cost effective to address an opportunity in any other way. Acceptance can be either active or passive. The most common active acceptance strategy is to establish a contingency reserve, including amounts of time, money, or other resources to take advantage of the opportunity if it occurs. Passive acceptance involves no proactive action apart from a periodic review of the opportunity to ensure that it does not change significantly.

Appendix 4 – Stakeholder Definitions

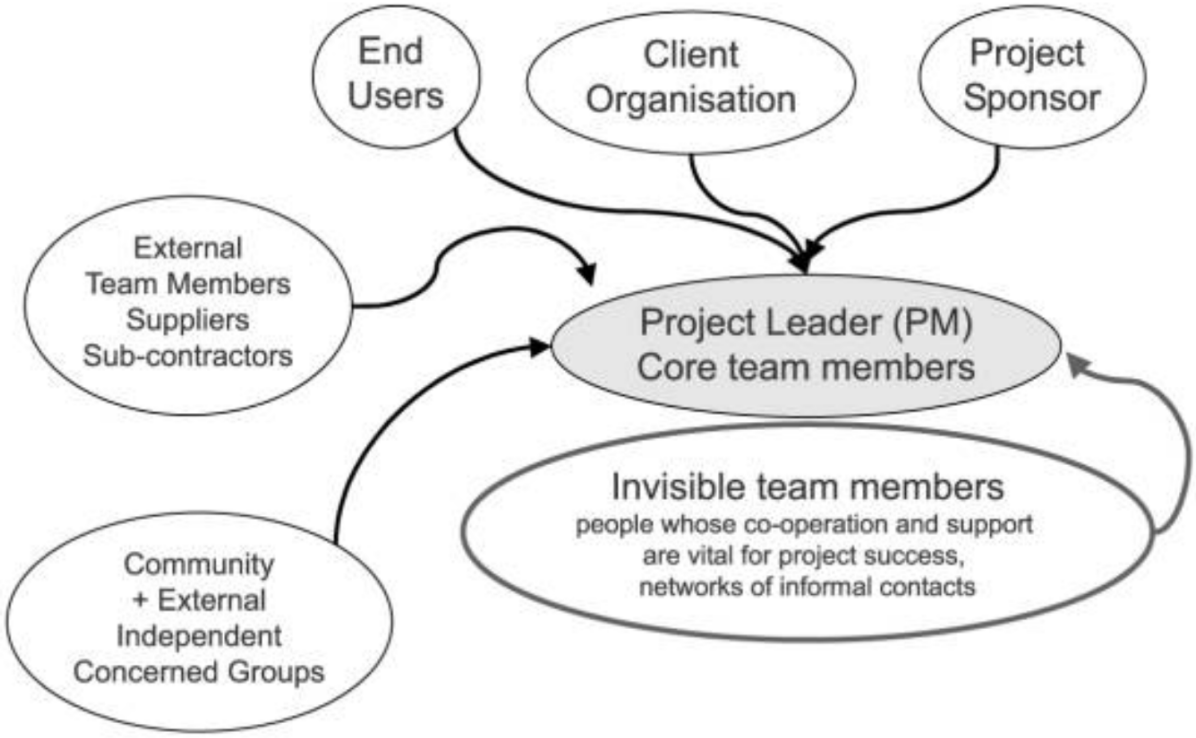
Source: Stakeholder Chronology retrieved from Mitchell et. al (1997)"Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts"

TABLE 1
Who Is a Stakeholder? A Chronology

Source	Stake
Stanford memo, 1963	"those groups without whose support the organization would cease to exist" (cited in Freeman & Reed, 1983, and Freeman, 1984)
Rhenman, 1964	"are depending on the firm in order to achieve their personal goals and on whom the firm is depending for its existence" (cited in Näsi, 1995)
Ahlstedt & Jahnukainen, 1971	"driven by their own interests and goals are participants in a firm, and thus depending on it and whom for its sake the firm is depending" (cited in Näsi, 1995)
Freeman & Reed, 1983: 91	Wide: "can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives" Narrow: "on which the organization is dependent for its continued survival"
Freeman, 1984: 46	"can affect or is affected by the achievement of the organization's objectives"
Freeman & Gilbert, 1987: 397	"can affect or is affected by a business"
Cornell & Shapiro, 1987: 5	"claimants" who have "contracts"
Evan & Freeman, 1988: 75–76	"have a stake in or claim on the firm"
Evan & Freeman, 1988: 79	"benefit from or are harmed by, and whose rights are violated or respected by, corporate actions"
Bowie, 1988: 112, n. 2	"without whose support the organization would cease to exist"
Alkhafaji, 1989: 36	"groups to whom the corporation is responsible"
Carroll, 1989: 57	"asserts to have one or more of these kinds of stakes"—"ranging from an interest to a right (legal or moral) to ownership or legal title to the company's assets or property"
Freeman & Evan, 1990	contract holders
Thompson et al., 1991: 209	in "relationship with an organization"
Savage et al., 1991: 61	"have an interest in the actions of an organization and . . . the ability to influence it"
Hill & Jones, 1992: 133	"constituents who have a legitimate claim on the firm . . . established through the existence of an exchange relationship" who supply "the firm with critical resources (contributions) and in exchange each expects its interests to be satisfied (by inducements)"
Brenner, 1993: 205	"having some legitimate, non-trivial relationship with an organization [such as] exchange transactions, action impacts, and moral responsibilities"
Carroll, 1993: 60	"asserts to have one or more of the kinds of stakes in business"—may be affected or affect . . .
Freeman, 1994: 415	participants in "the human process of joint value creation"
Wicks et al., 1994: 483	"interact with and give meaning and definition to the corporation"
Langtry, 1994: 433	the firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm
Starik, 1994: 90	"can and are making their actual stakes known"—"are or might be influenced by, or are or potentially are influencers of, some organization"
Clarkson, 1994: 5	"bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm" or "are placed at risk as a result of a firm's activities"
Clarkson, 1995: 106	"have, or claim, ownership, rights, or interests in a corporation and its activities"
Näsi, 1995: 19	"interact with the firm and thus make its operation possible"
Brenner, 1995: 76, n. 1	"are or which could impact or be impacted by the firm/organization"
Donaldson & Preston, 1995: 85	"persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity"

Appendix 5 – Stakeholder Model

Source: Stakeholder Model retrieved from Bourne and Walker (2005) "Visualizing and mapping stakeholder influence"

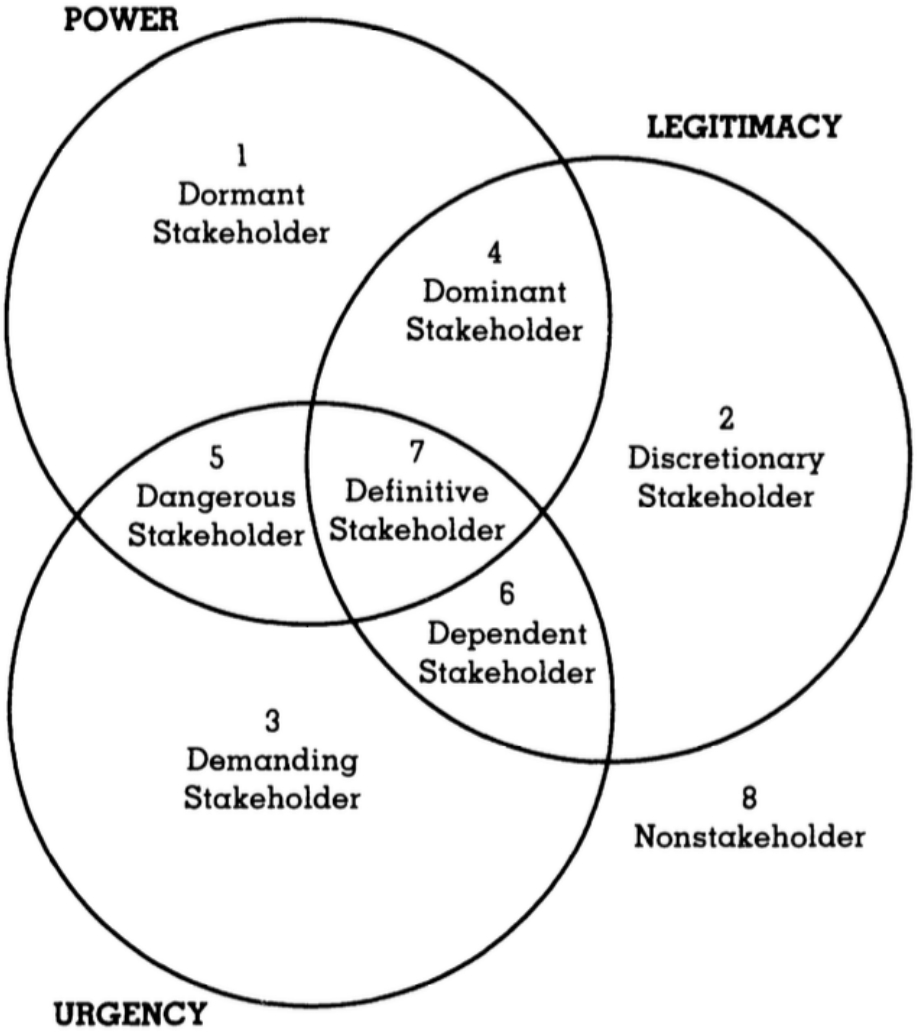


Source: Walker (2003)

Appendix 6 – Stakeholder Typology

Source: Stakeholder Typology retrieved from Mitchell et al. (1997) "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts"

FIGURE 2
Stakeholder Typology:
One, Two, or Three Attributes Present



Appendix 7 – Response Strategies

Source: Response Strategies retrieved from Aaltonen and Sivonen (2009) "Response strategies to stakeholder pressures in global projects"

Response strategy types

Type of response strategy	Description
Adaptation strategy	Obeying the demands and rules that are presented by stakeholders. It is considered that in order to cope with the demands and to achieve the objectives of the project it is better to adjust to the external stakeholder pressures
Compromising strategy	Negotiating with the stakeholders, listening to their claims related to the project and offering possibilities and arenas for dialogues. Making reconciliations and offering compensation. Opening the project to the stakeholders
Avoidance strategy	Loosening attachments to stakeholders and their claims in order to guard and shield oneself against the claims. Transferring the responsibility of responding to the claims to another actor in the project network
Dismissal strategy	Ignoring the presented demands of stakeholders. Not taking into account the stakeholder related pressures and their requirements in the project execution
Influence strategy	Shaping proactively the values and demands of stakeholders. Sharing actively information and building relationship with stakeholders

Appendix 8 – The Stakeholder Circle

Source: The Stakeholder Circle retrieved from "Visualising and mapping stakeholder influence" (Bourne & Walker, 2005)

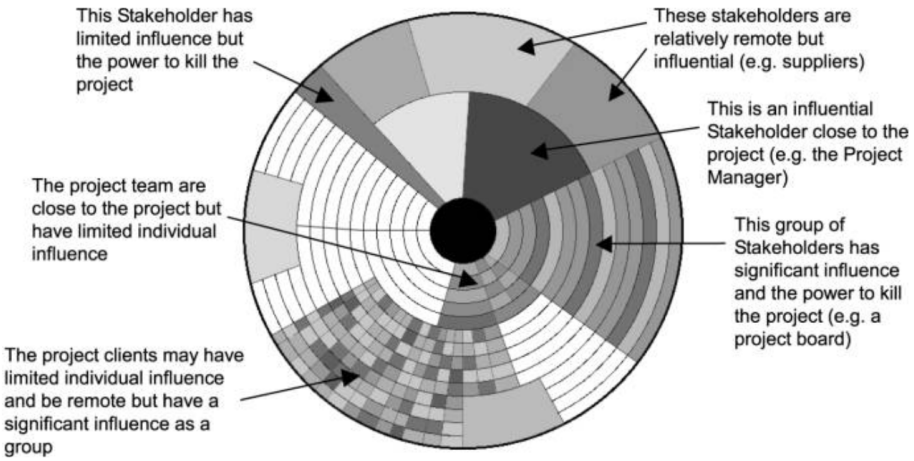


Figure 3.
The stakeholder circle

Appendix 9 – Six W's Framework

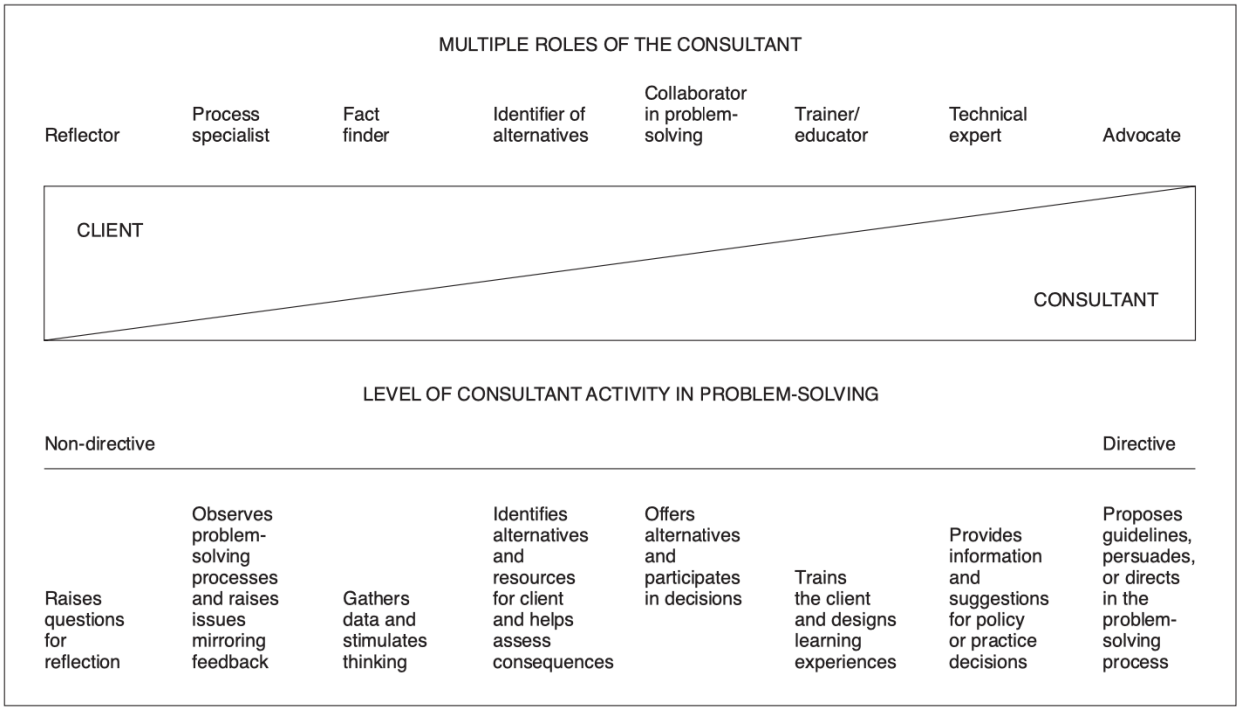
Source: The Six W's Framework retrieved from Chapman and Ward (2003) "Project Risk Management – Processes, Techniques and Insights"

1. *who*	who are the parties ultimately involved?	(parties);
2. *why*	what do the parties want to achieve?	(motives);
3. *what*	what is it the parties are interested in?	(design);
4. *whichway*	how is it to be done?	(activities);
5. *wherewithal*	what resources are required?	(resources);
6. *when*	when does it have to be done?	(timetable).

Appendix 10 – Consultant and Client Roles in Consulting Projects

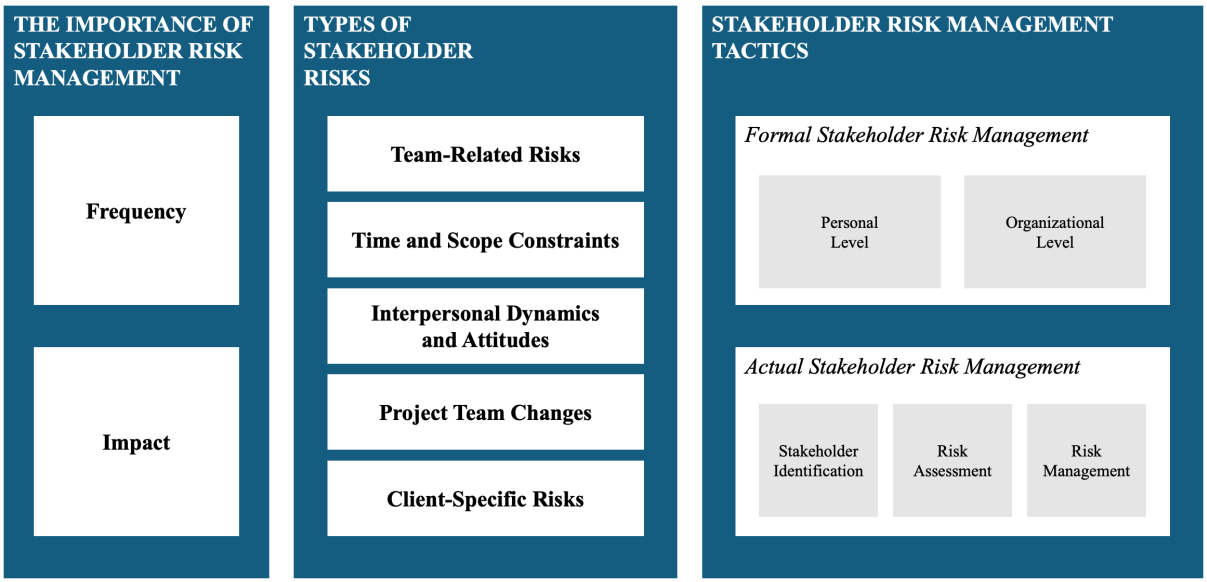
Source: Consultant and Client Roles in Consulting Projects retrieved from the International Labour Office (2002) "Management Consulting – A Guide to the Profession"

Figure 3.1 Illustration of the consultant's role on a directive and non-directive continuum



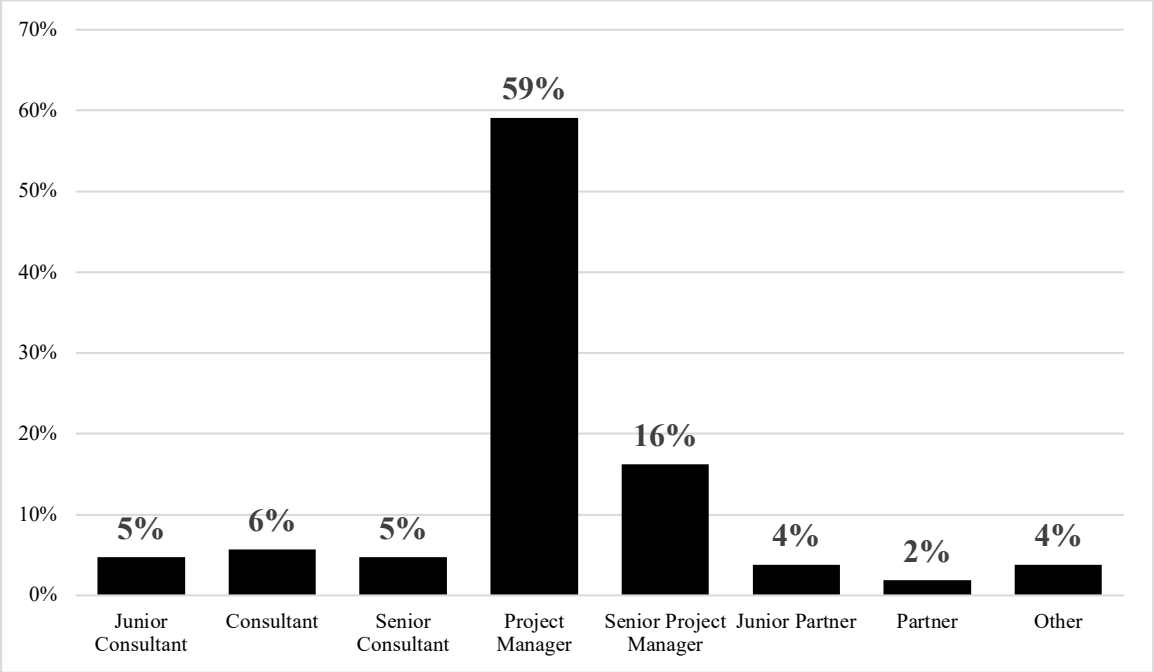
Source: Adapted from G. Lippitt and R. Lippitt: *The consulting process in action* (La Jolla, CA, University Associates, 1979), p. 31.

Appendix 11 – Research Findings Structure

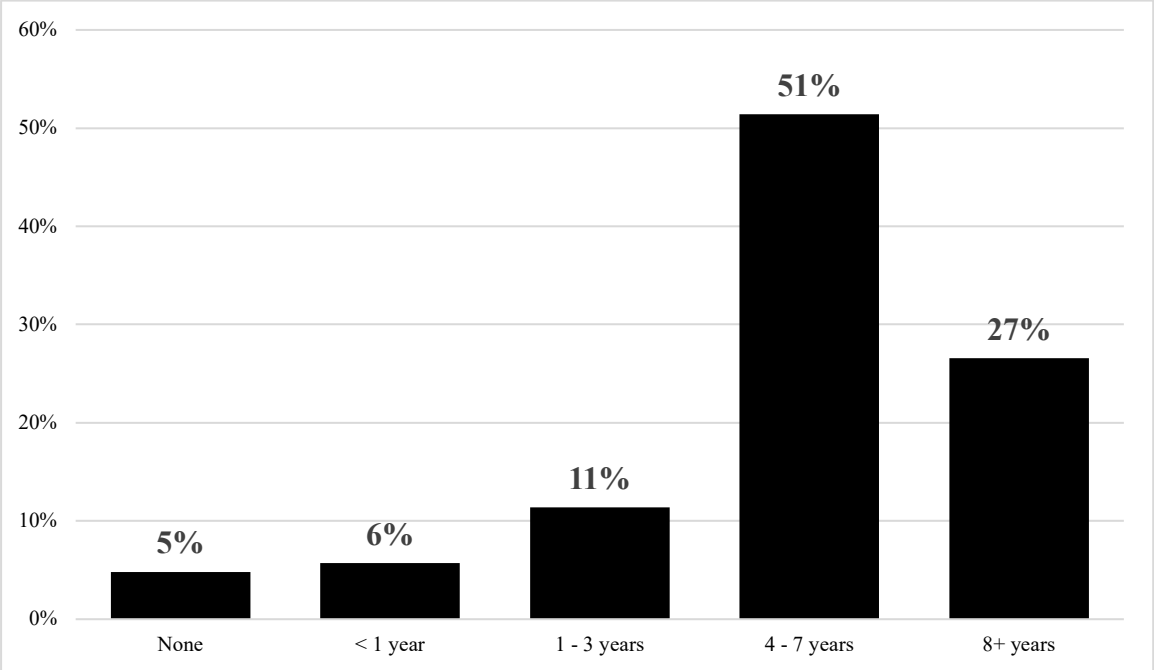


Appendix 12 – Survey Results

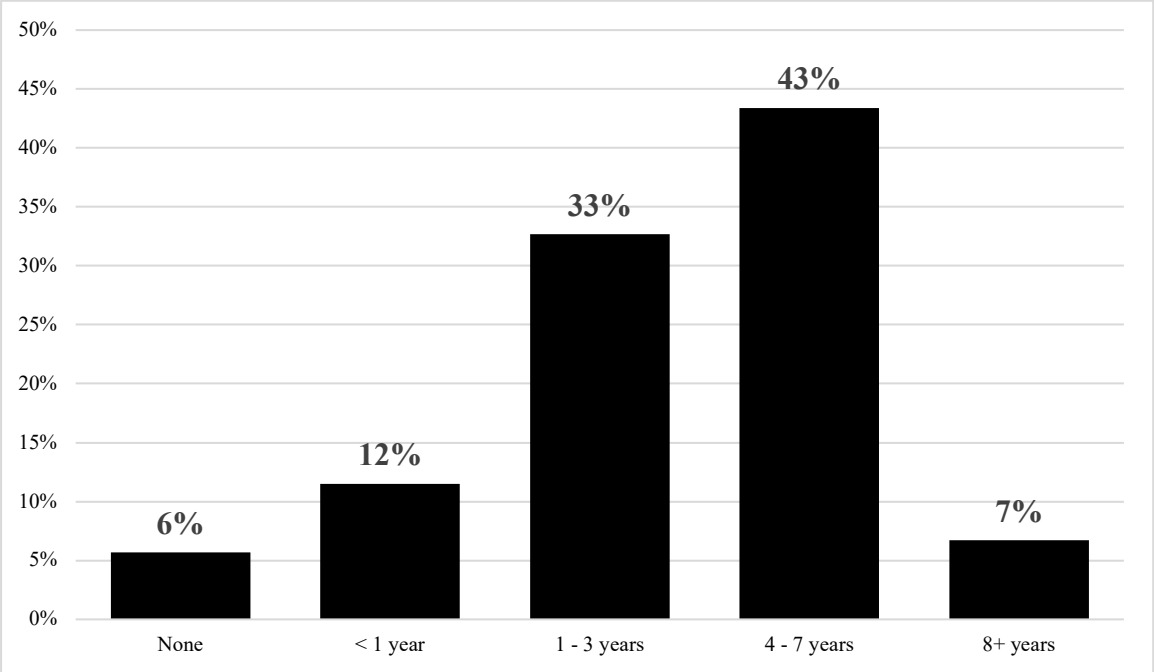
Q1: What is your current job title?



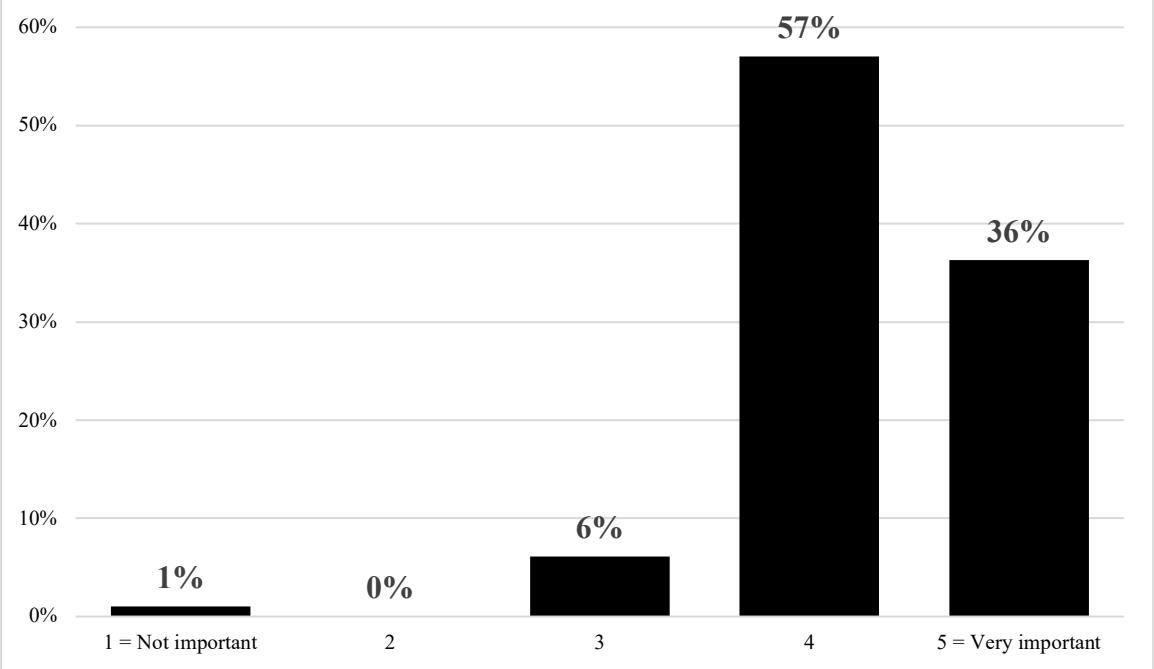
Q2: How many years of experience do you have in the consulting industry?



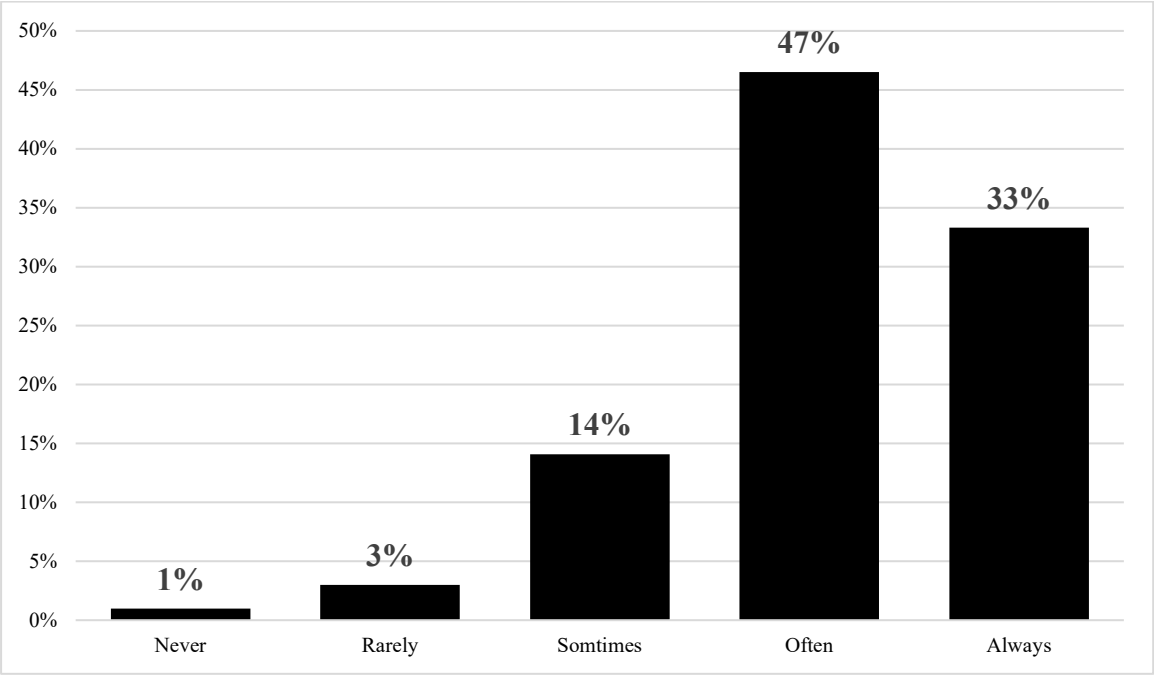
Q3: How many years of experience do you have in managing projects?



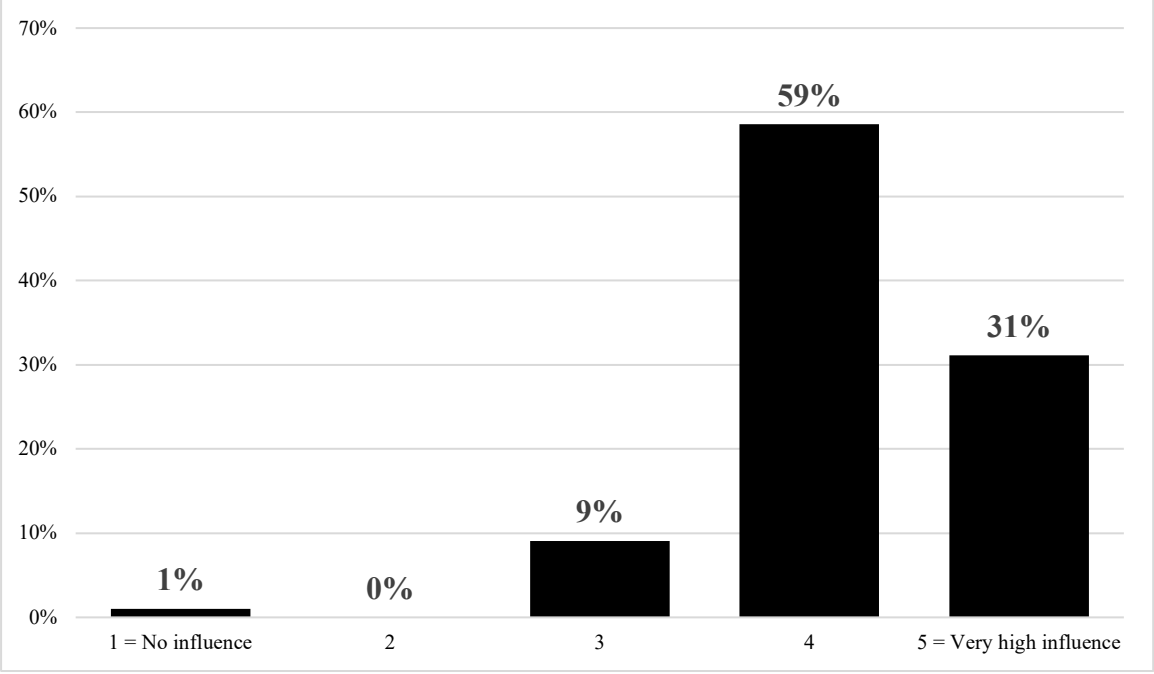
Q4: How important do you consider stakeholder-related risks in consulting projects?



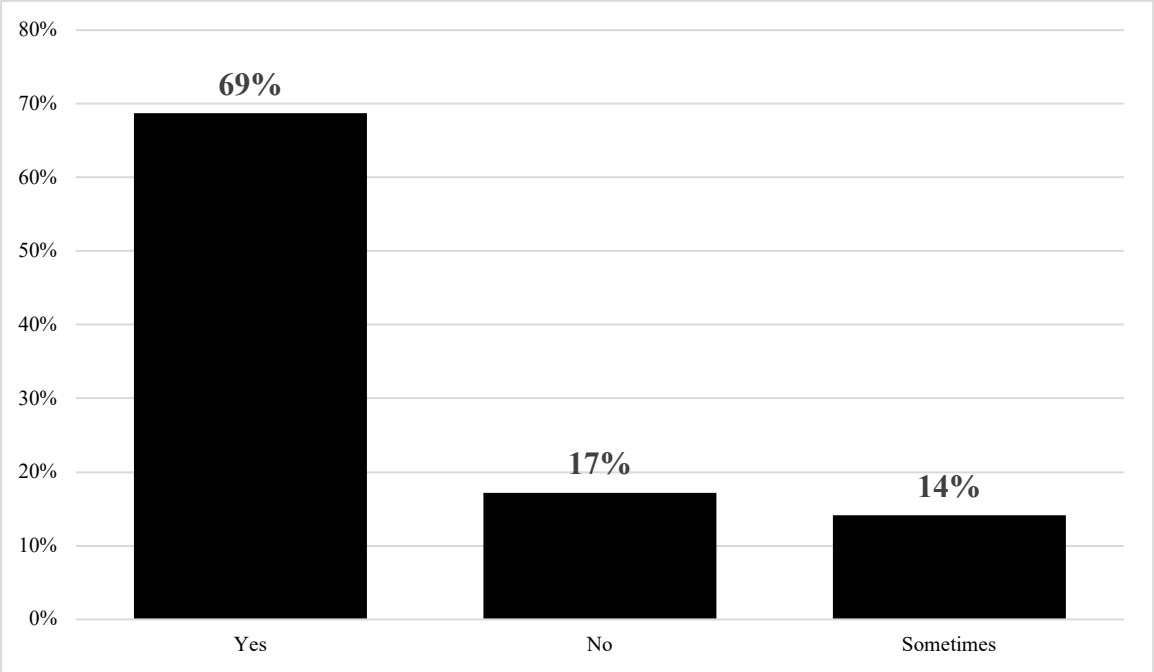
Q5: How frequently do stakeholder-related risks arise in the consulting projects you manage?



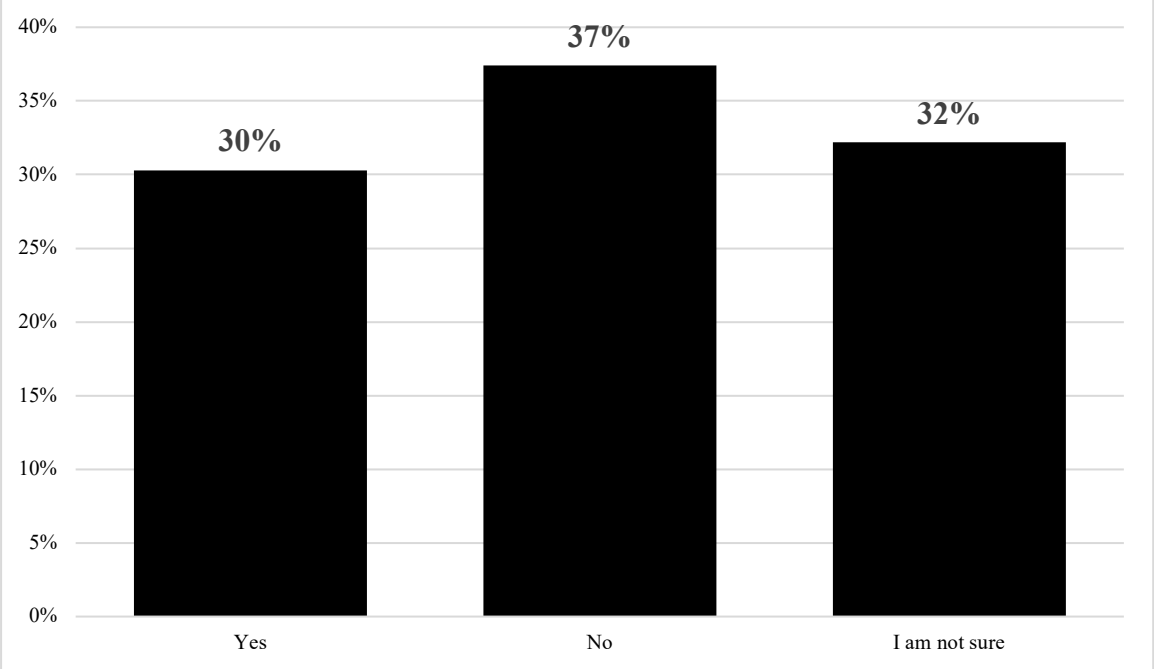
Q6: What influence on project success do stakeholder-related risks have?



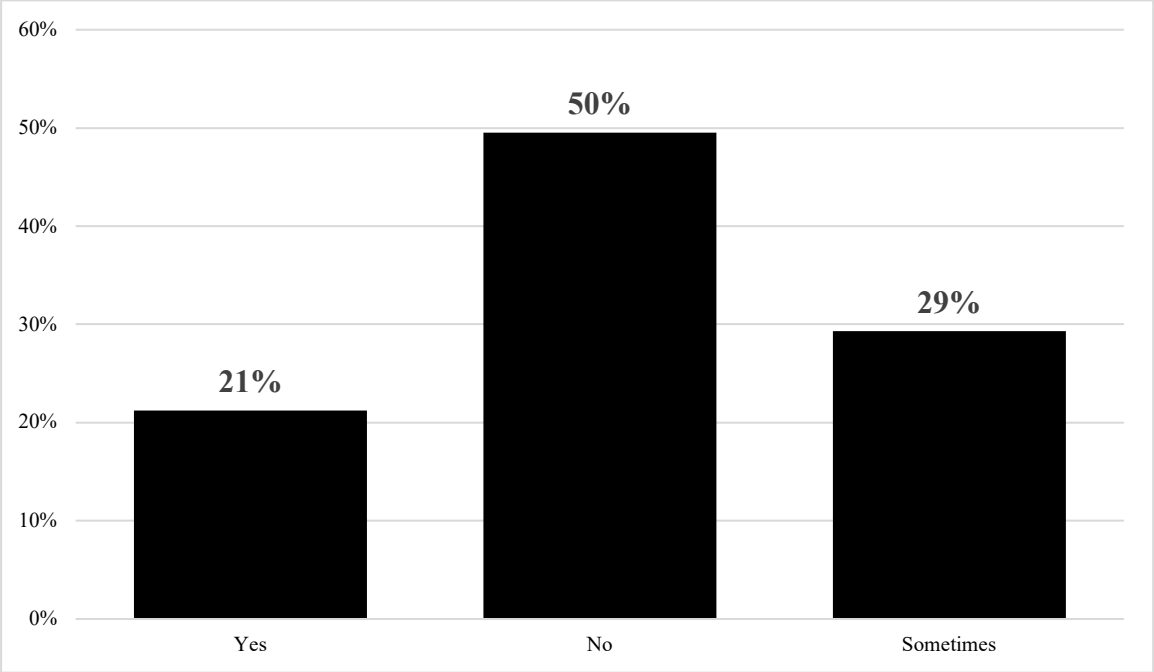
Q7: Do you consider stakeholder-related risks in your formal project management strategy?



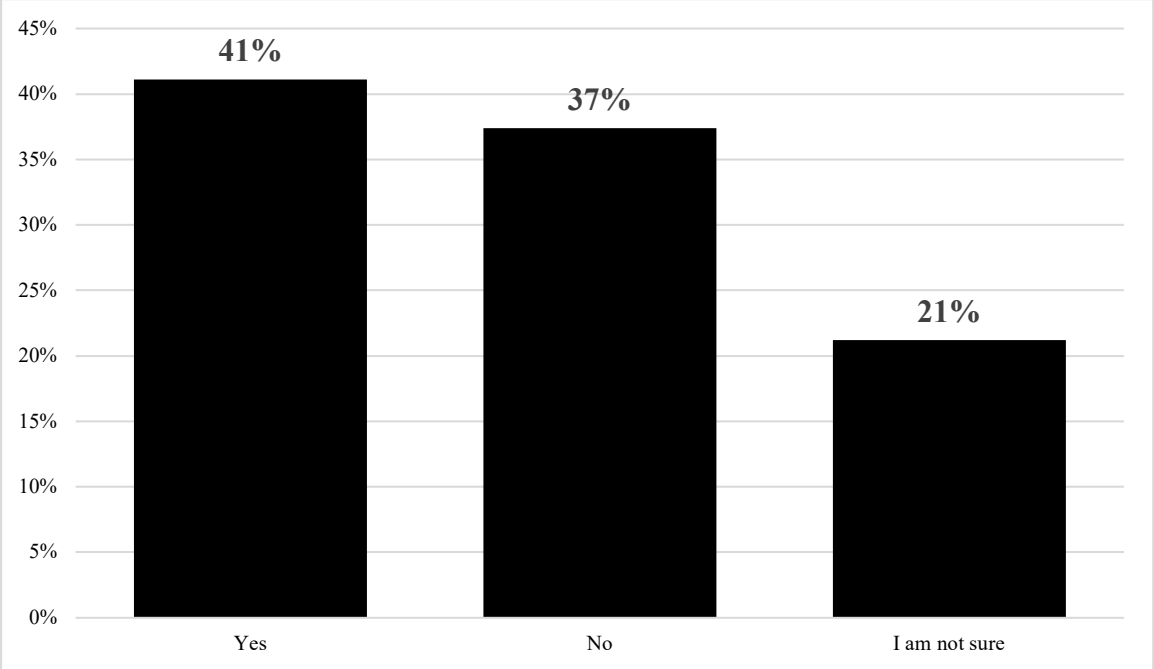
Q8: Does your organization have a formal process for managing stakeholder-related risks?



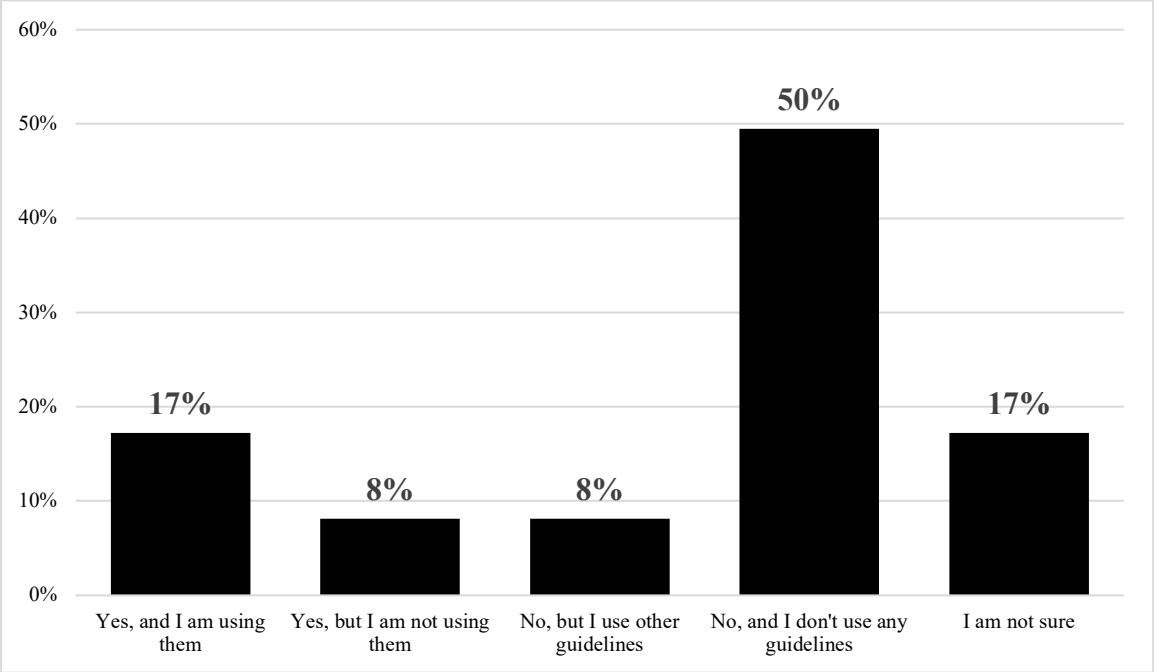
Q9: Do you usually formally identify and analyze associated stakeholders in the early stages of the project?



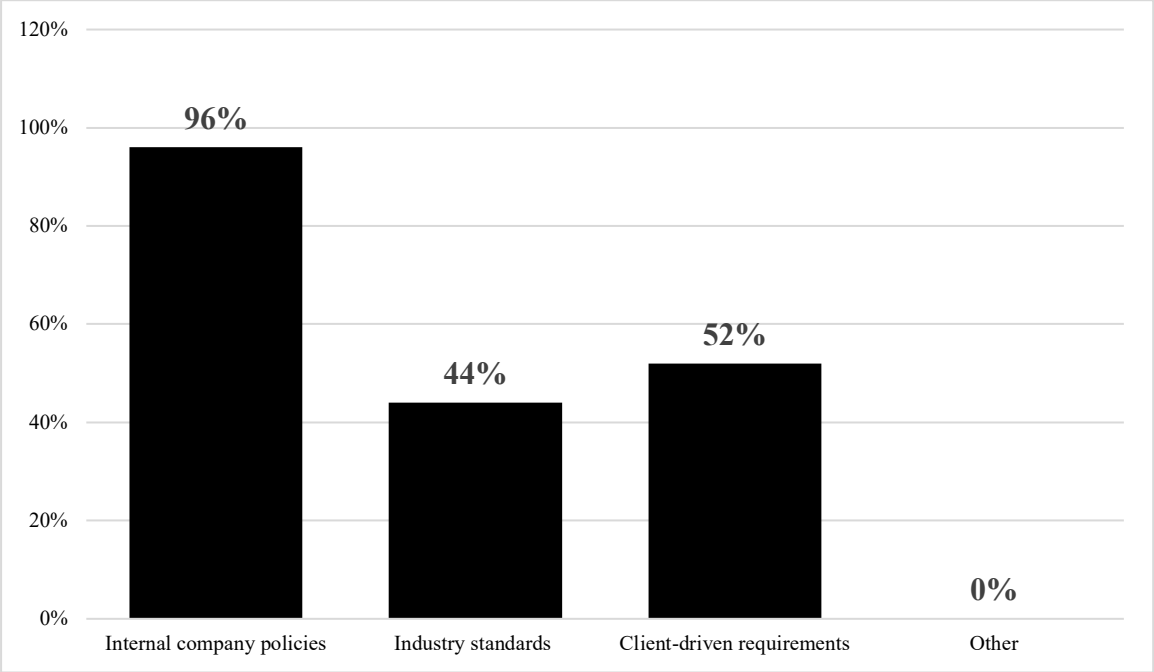
Q10: Are you personally familiar with formal project (risk) management guidelines? (e.g. PMBOK, PRINCE2, ISO, COBIT, etc.)



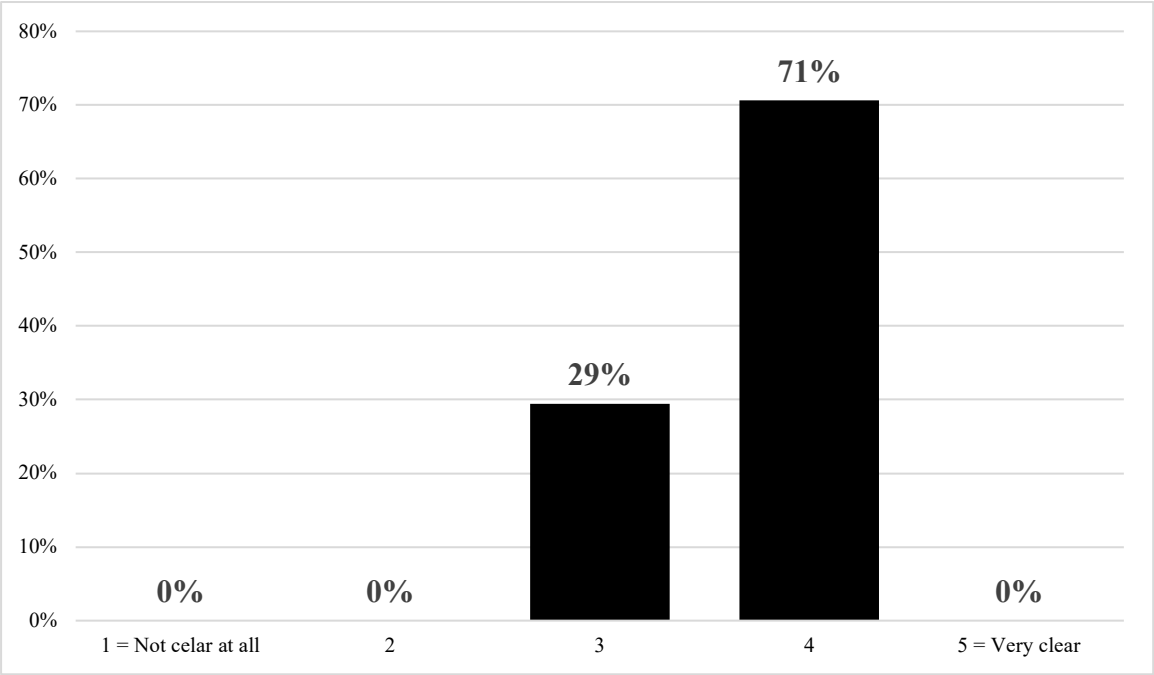
Q11: Are there any widely accepted guidelines for identifying, analyzing and managing stakeholder risks in your organization?



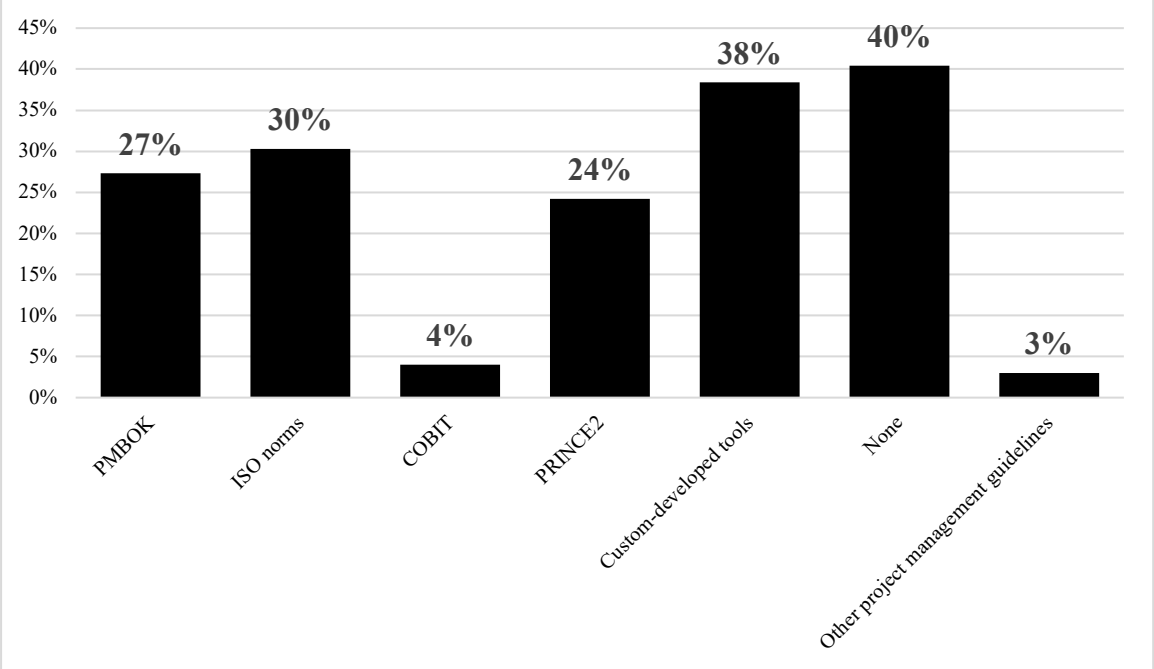
Q11.1 *(If "Yes, and I am using them" or "Yes, but I am not using them" was selected in Q11):* Where do these guidelines stem from? (Select all that apply)



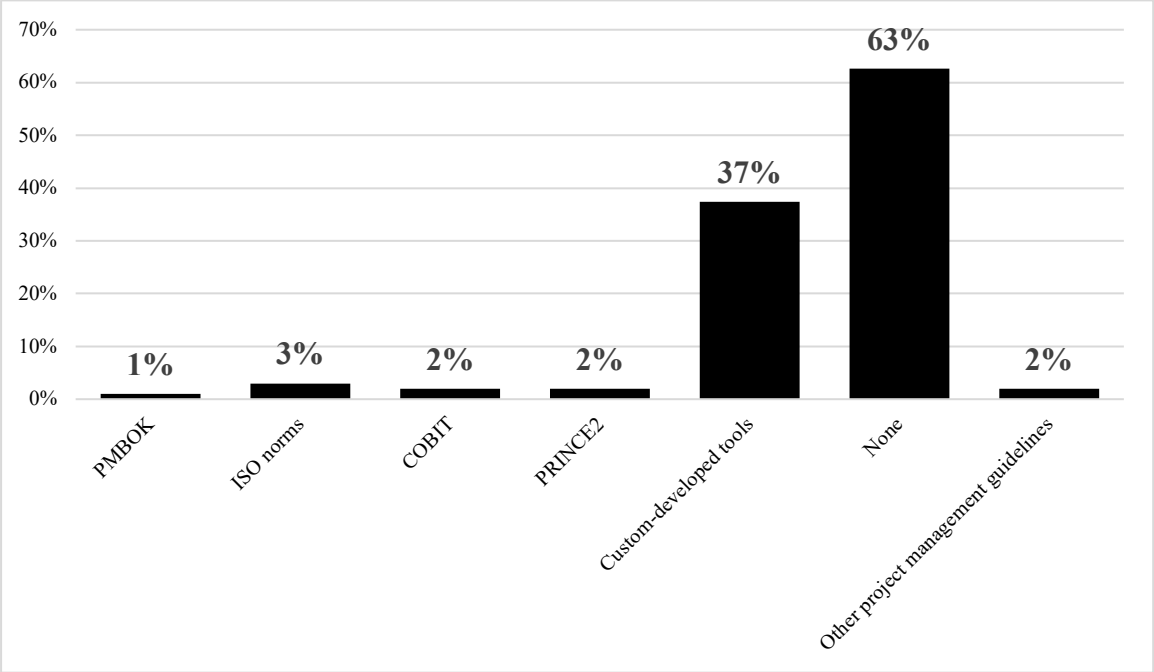
Q11.2 *(If "Yes, and I am using them" or "Yes, but I am not using them" was selected in Q11):* How clear and actionable are those available guidelines for identifying, analyzing and managing stakeholder risks?



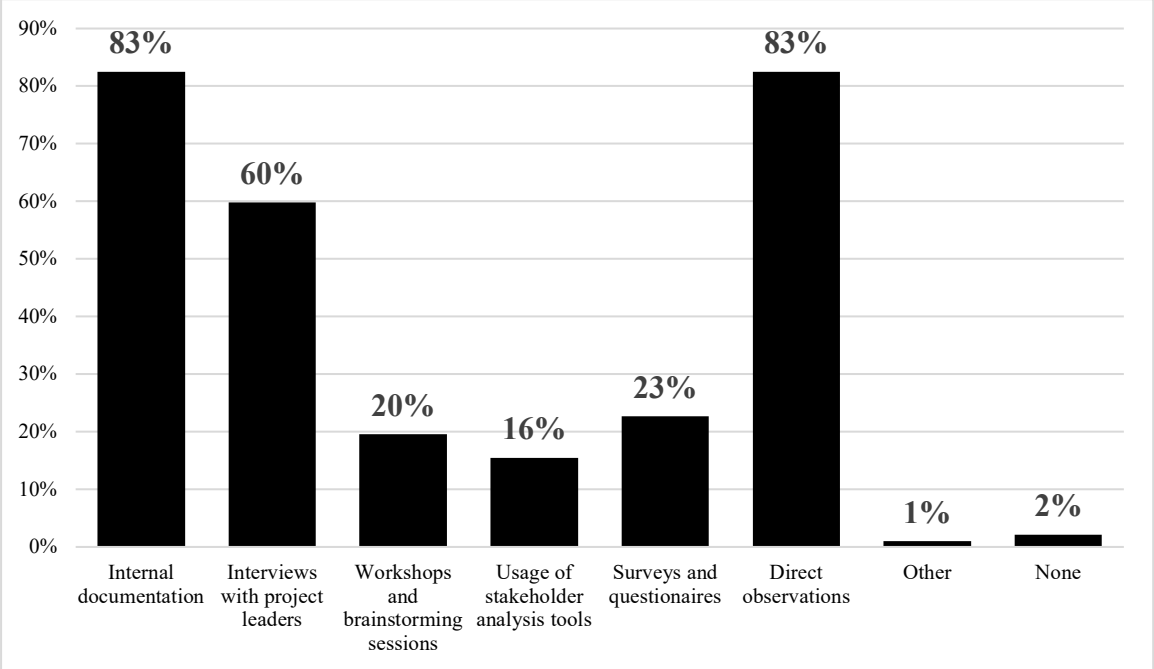
Q12: Which external frameworks or methodologies do you know for stakeholder risk management? (Select all that apply)



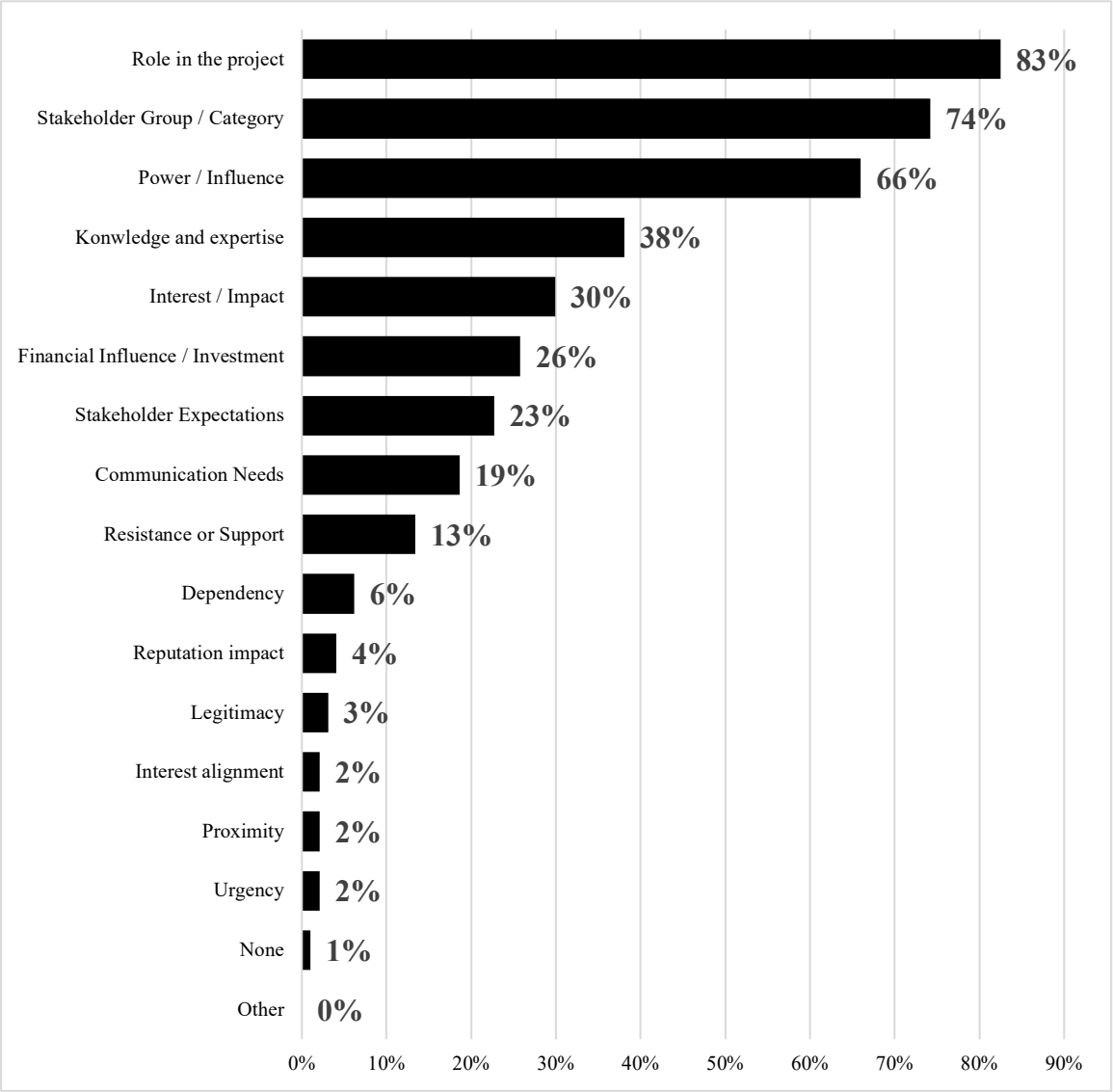
Q13: Which external frameworks or methodologies do you use for stakeholder risk management? (Select all that apply)



Q14: What methods do you use to identify stakeholders in your projects? (Select all that apply)



Q15: What criteria do you mainly use to identify stakeholders? (Select all that apply)

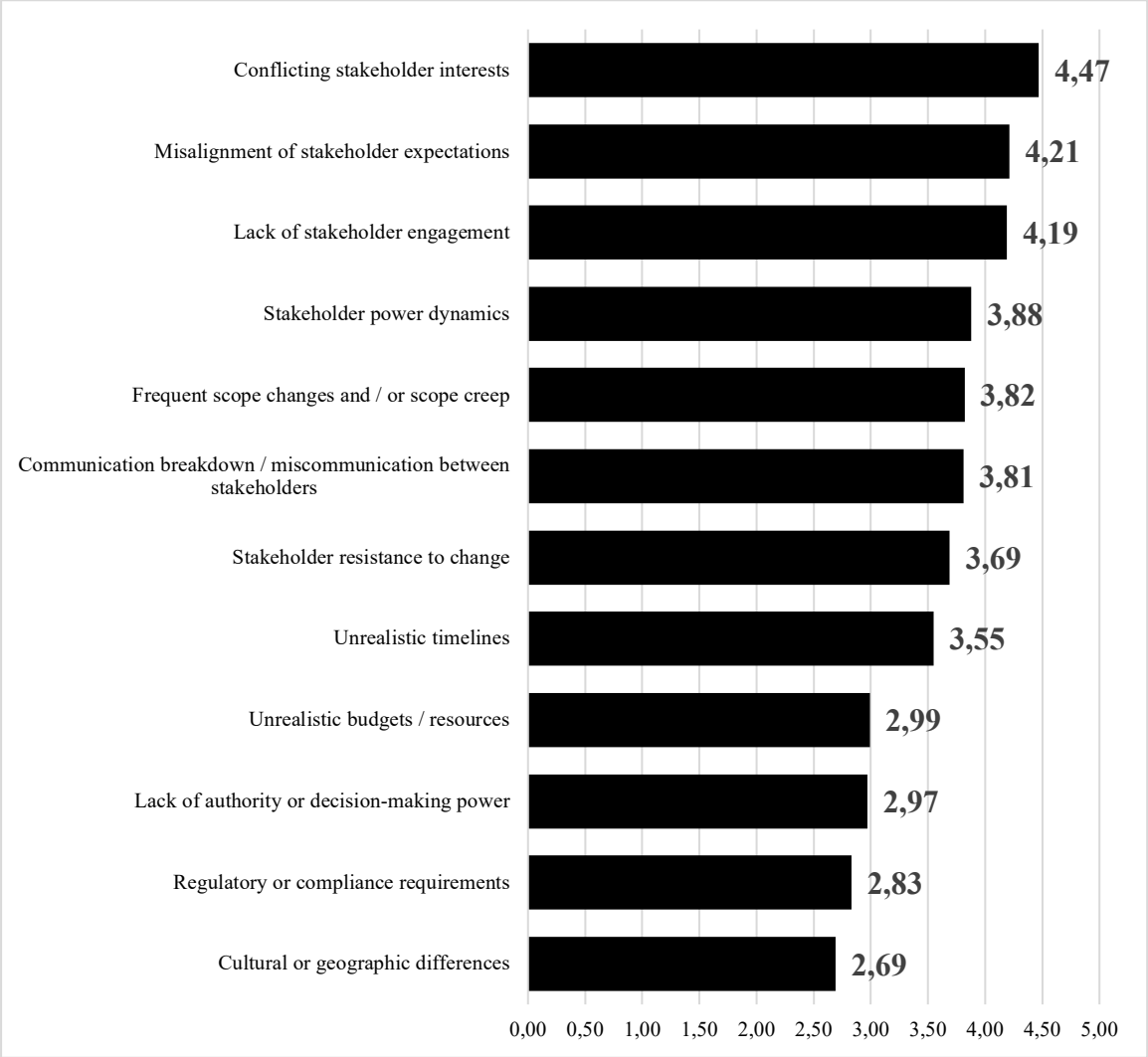


Q16: Which type of stakeholders do you perceive hold generally the greatest risk potential?

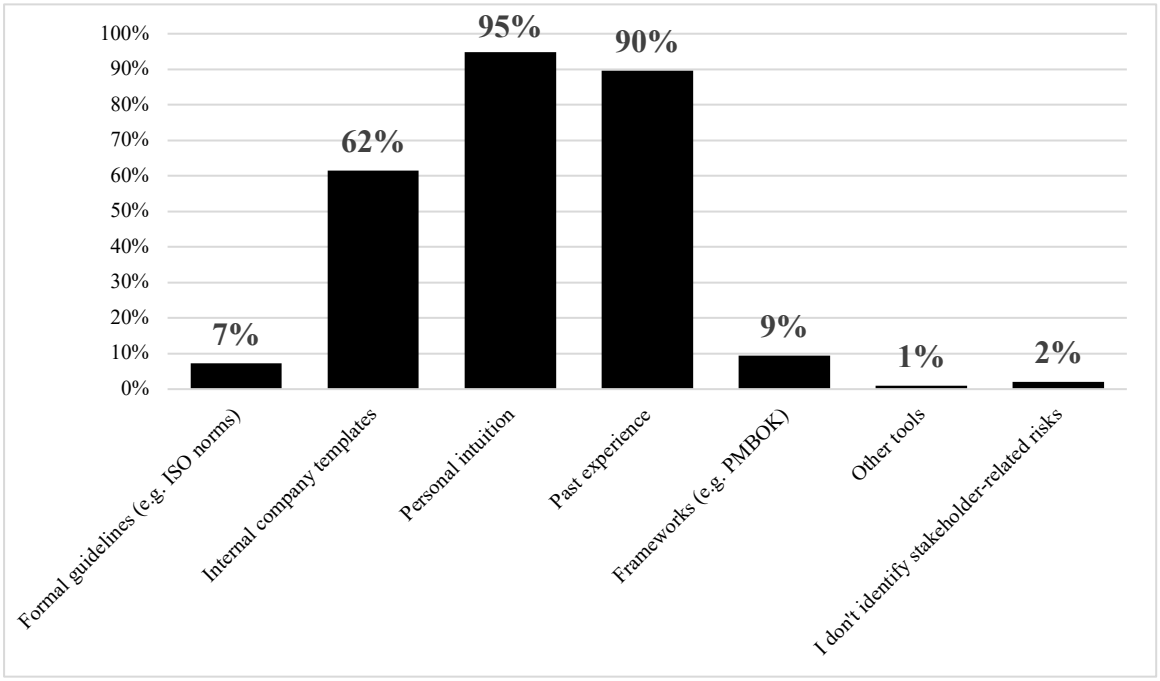
Findings aggregated:

Project sponsors, stakeholders with financial influence / financial investors, stakeholders lacking project necessary knowledge, stakeholders with divergent opinions, CEOs, the project team itself, opponents, mid-management, stakeholders with strong opinions, stakeholders with political influence

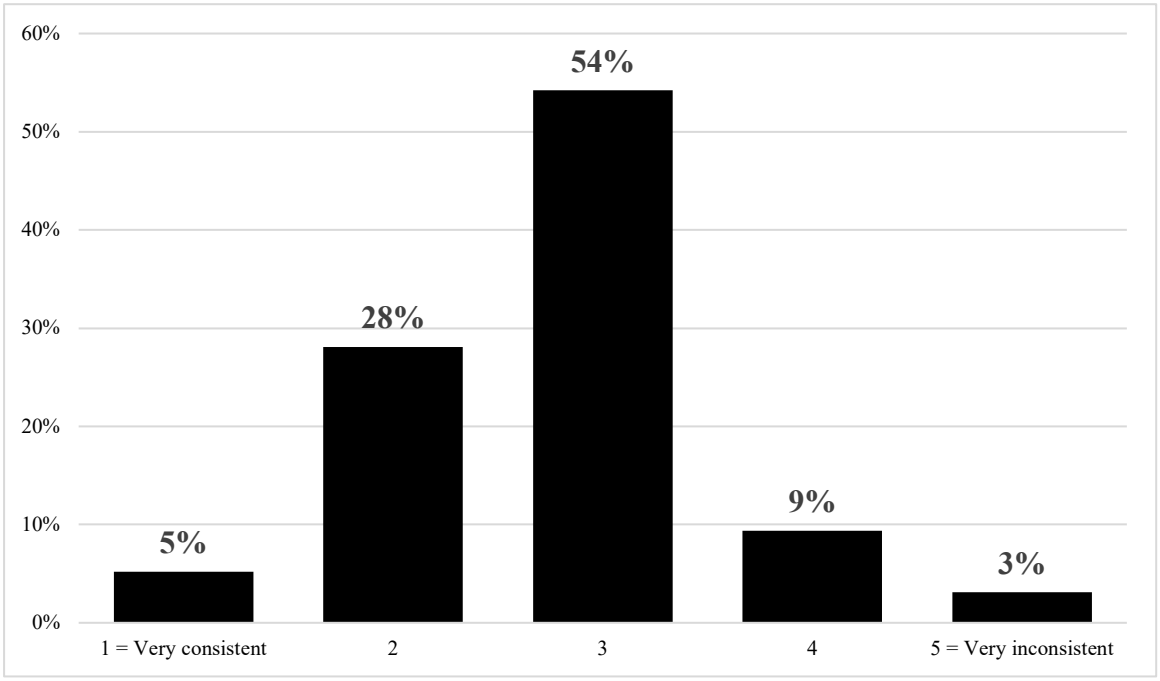
Q17: What types of risks are usually associated with stakeholders? Please rate them on a scale from 1 to 5



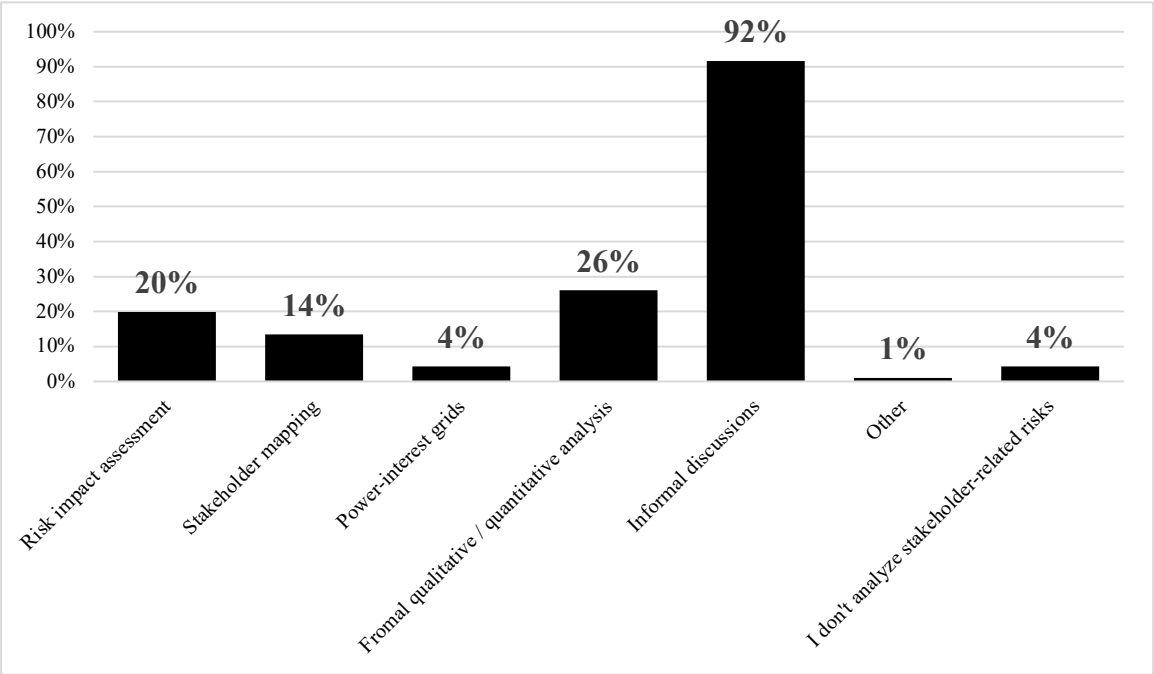
Q18: How do you currently identify stakeholder-related risks in your projects? (Select all that apply)



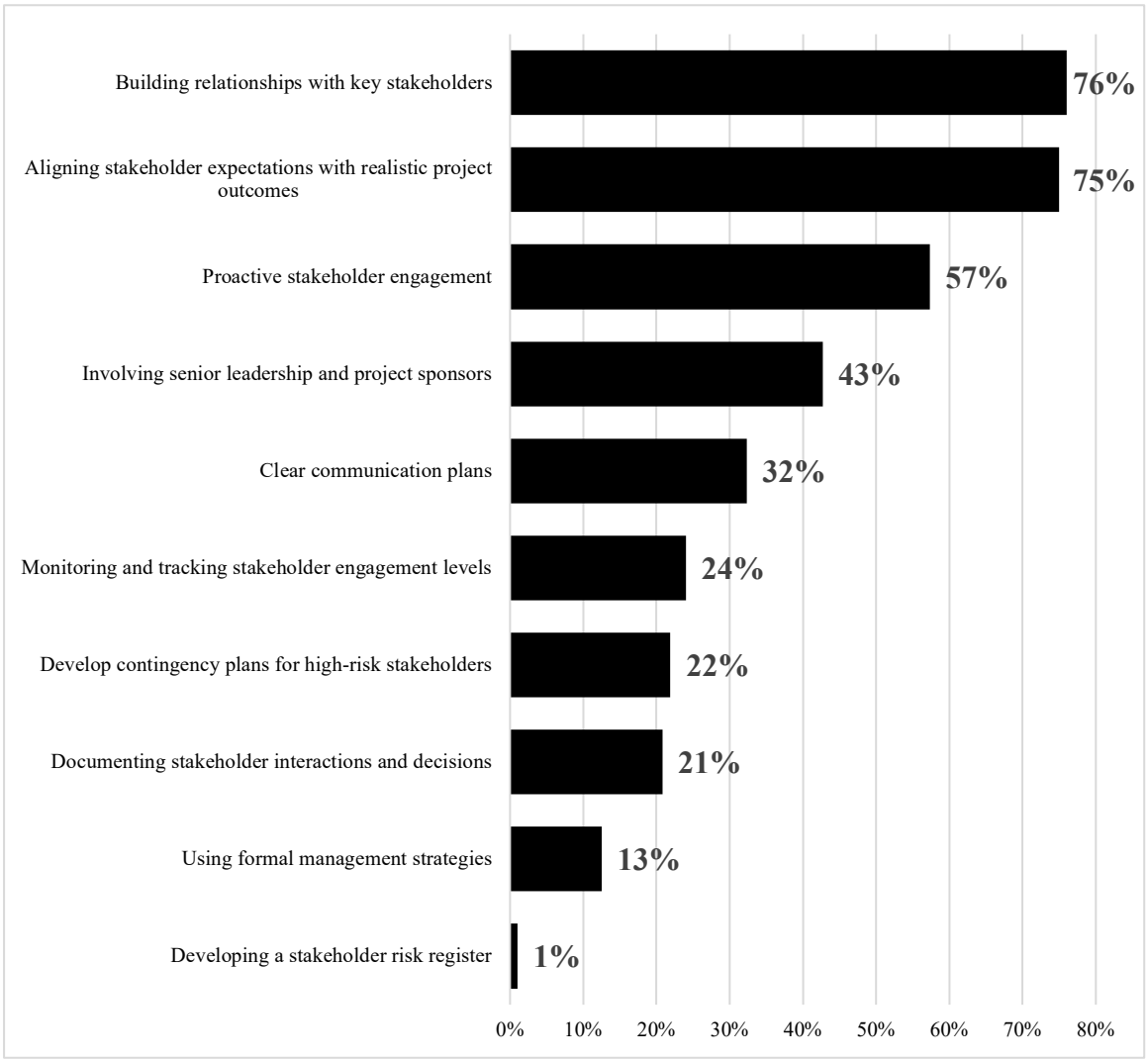
Q19: Do you believe that stakeholder risk management is carried out consistently across different project and project managers in your organization?



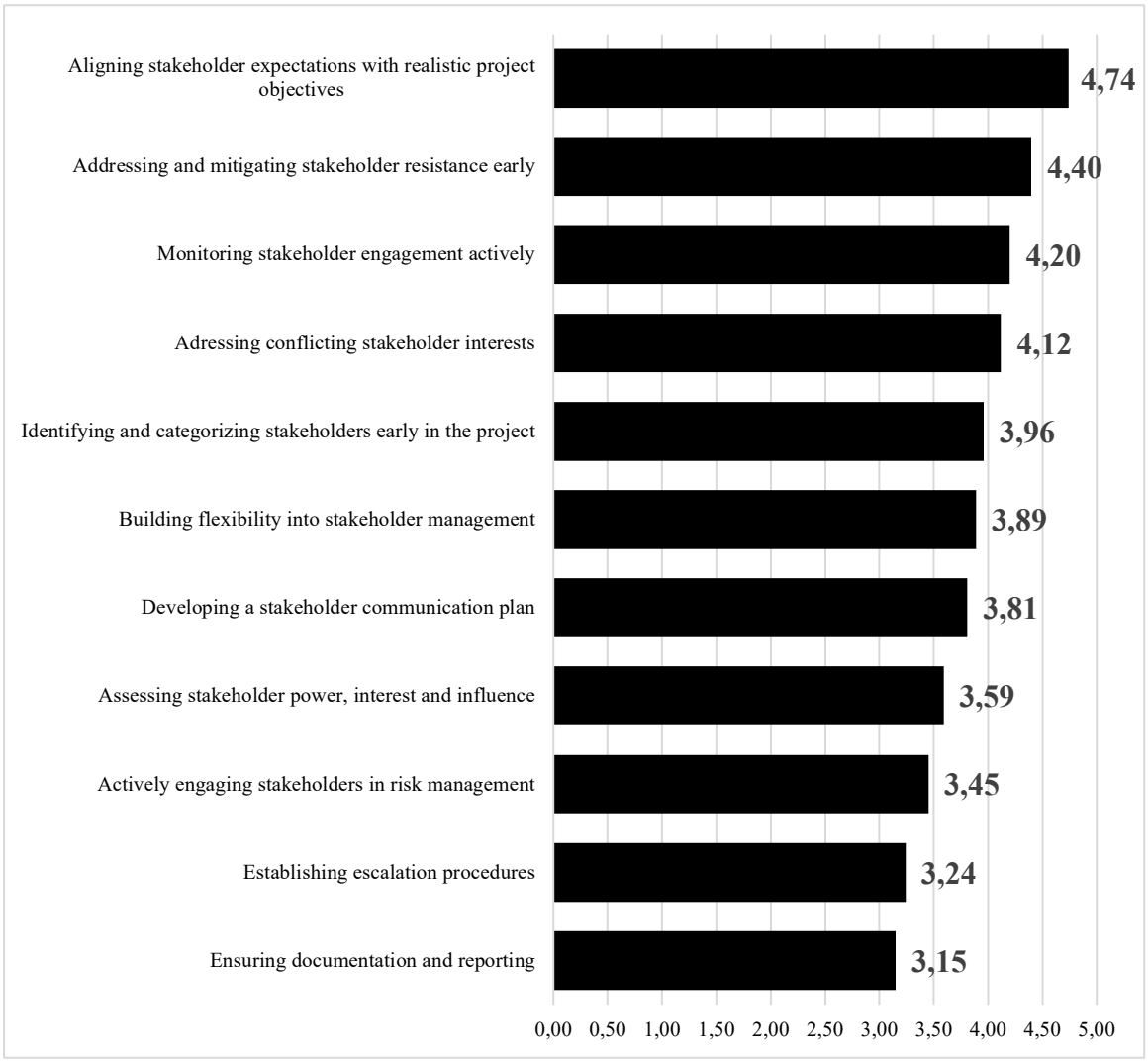
Q20: How do you typically analyze stakeholder-related risks in your projects? (Select all that apply)



Q21: Which methods do you perceive as most effective when managing stakeholder risks? (Select all that apply)



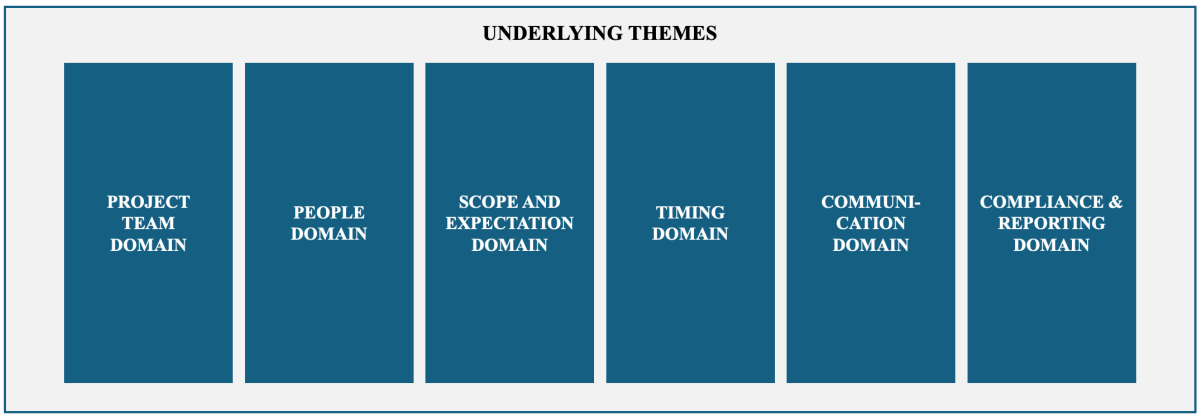
Q22: What general aspects do you believe are most important when handling stakeholder risk? Please rate them on a scale from 1 to 5



Appendix 13 – An Approach to Stakeholder Risk Management in Consulting Projects

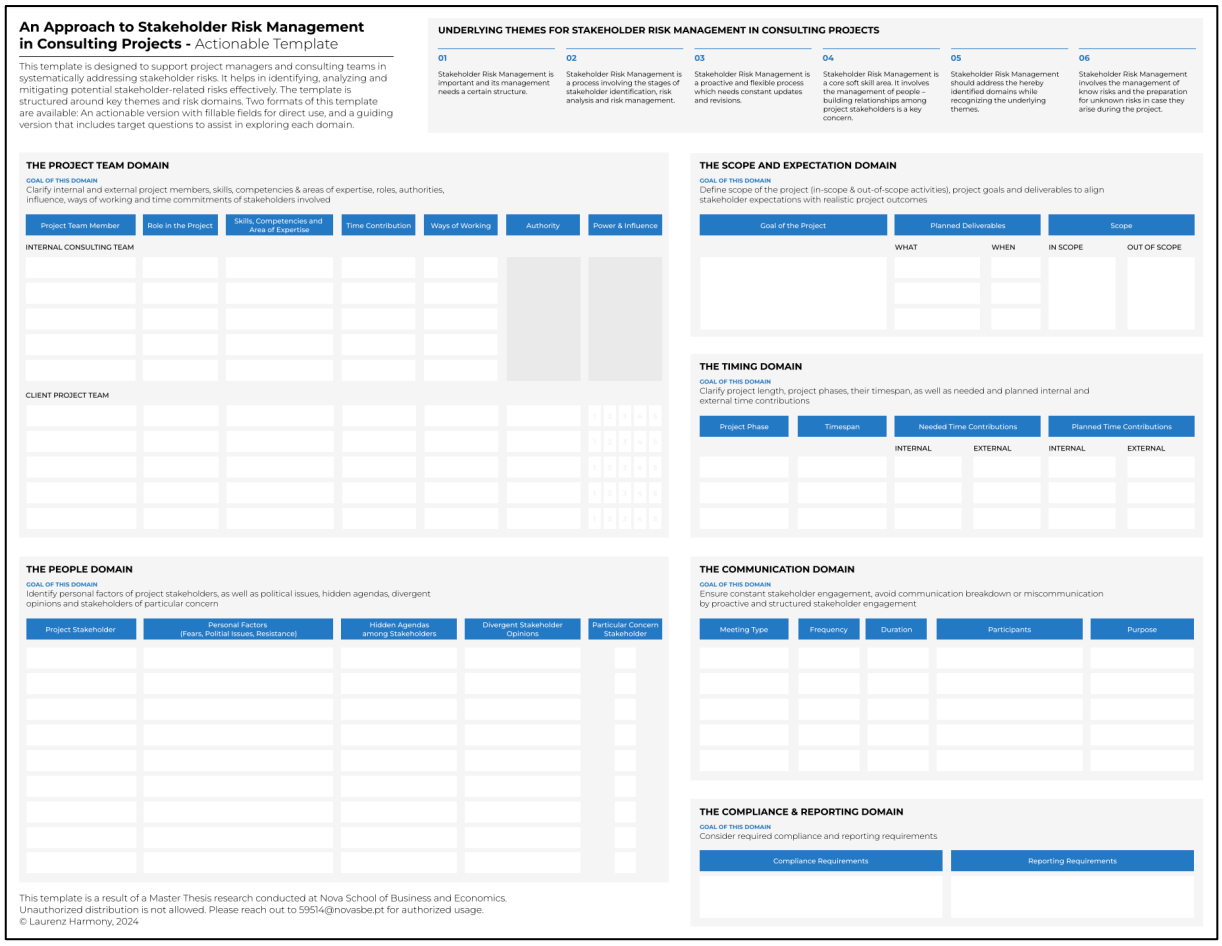
An Approach to:

THE STAKEHOLDER RISK MANAGEMENT PROCESS IN CONSULTING PROJECTS



Appendix 14 – Actionable Template

Note: A high-resolution PDF version of this template can be found at the end of the document



An Approach to Stakeholder Risk Management in Consulting Projects - Actionable Template

This template is designed to support project managers and consulting teams in systematically addressing stakeholder risks. It helps in identifying, analyzing and mitigating potential stakeholder-related risks effectively. The template is structured around key themes and risk domains. Two formats of this template are available: An actionable version with fillable fields for direct use, and a guiding version that includes target questions to assist in exploring each domain.

UNDERLYING THEMES FOR STAKEHOLDER RISK MANAGEMENT IN CONSULTING PROJECTS

01 Stakeholder Risk Management is important and its management needs a certain structure.

02 Stakeholder Risk Management is a process involving the stages of stakeholder identification, risk analysis and risk management.

03 Stakeholder Risk Management is a proactive and flexible process which needs constant updates and revisions.

04 Stakeholder Risk Management is a core soft skill area. It involves the management of people – building relationships among project stakeholders is a key concern.

05 Stakeholder Risk Management should address the hereby identified domains while recognizing the underlying themes.

06 Stakeholder Risk Management involves the management of know risks and the preparation for unknown risks in case they arise during the project.

THE PROJECT TEAM DOMAIN

GOAL OF THIS DOMAIN
Clarify internal and external project members, skills, competencies & areas of expertise, roles, authorities, influence, ways of working and time commitments of stakeholders involved

Project Team Member	Role in the Project	Skills, Competencies and Area of Expertise	Time Contribution	Ways of Working	Authority	Power & Influence
INTERNAL CONSULTING TEAM						
CLIENT PROJECT TEAM						
						1 2 3 4 5
						1 2 3 4 5
						1 2 3 4 5
						1 2 3 4 5
						1 2 3 4 5

THE SCOPE AND EXPECTATION DOMAIN

GOAL OF THIS DOMAIN
Define scope of the project (in-scope & out-of-scope activities), project goals and deliverables to align stakeholder expectations with realistic project outcomes

Goal of the Project	Planned Deliverables		Scope	
	WHAT	WHEN	IN SCOPE	OUT OF SCOPE

THE TIMING DOMAIN

GOAL OF THIS DOMAIN
Clarify project length, project phases, their timespan, as well as needed and planned internal and external time contributions

Project Phase	Timespan	Needed Time Contributions		Planned Time Contributions	
		INTERNAL	EXTERNAL	INTERNAL	EXTERNAL

THE PEOPLE DOMAIN

GOAL OF THIS DOMAIN
Identify personal factors of project stakeholders, as well as political issues, hidden agendas, divergent opinions and stakeholders of particular concern

Project Stakeholder	Personal Factors (Fears, Politial Issues, Resistance)	Hidden Agendas among Stakeholders	Divergent Stakeholder Opinions	Particular Concern Stakeholder

THE COMMUNICATION DOMAIN

GOAL OF THIS DOMAIN
Ensure constant stakeholder engagement, avoid communication breakdown or miscommunication by proactive and structured stakeholder engagement

Meeting Type	Frequency	Duration	Participants	Purpose

THE COMPLIANCE & REPORTING DOMAIN

GOAL OF THIS DOMAIN
Consider required compliance and reporting requirements

Compliance Requirements	Reporting Requirements

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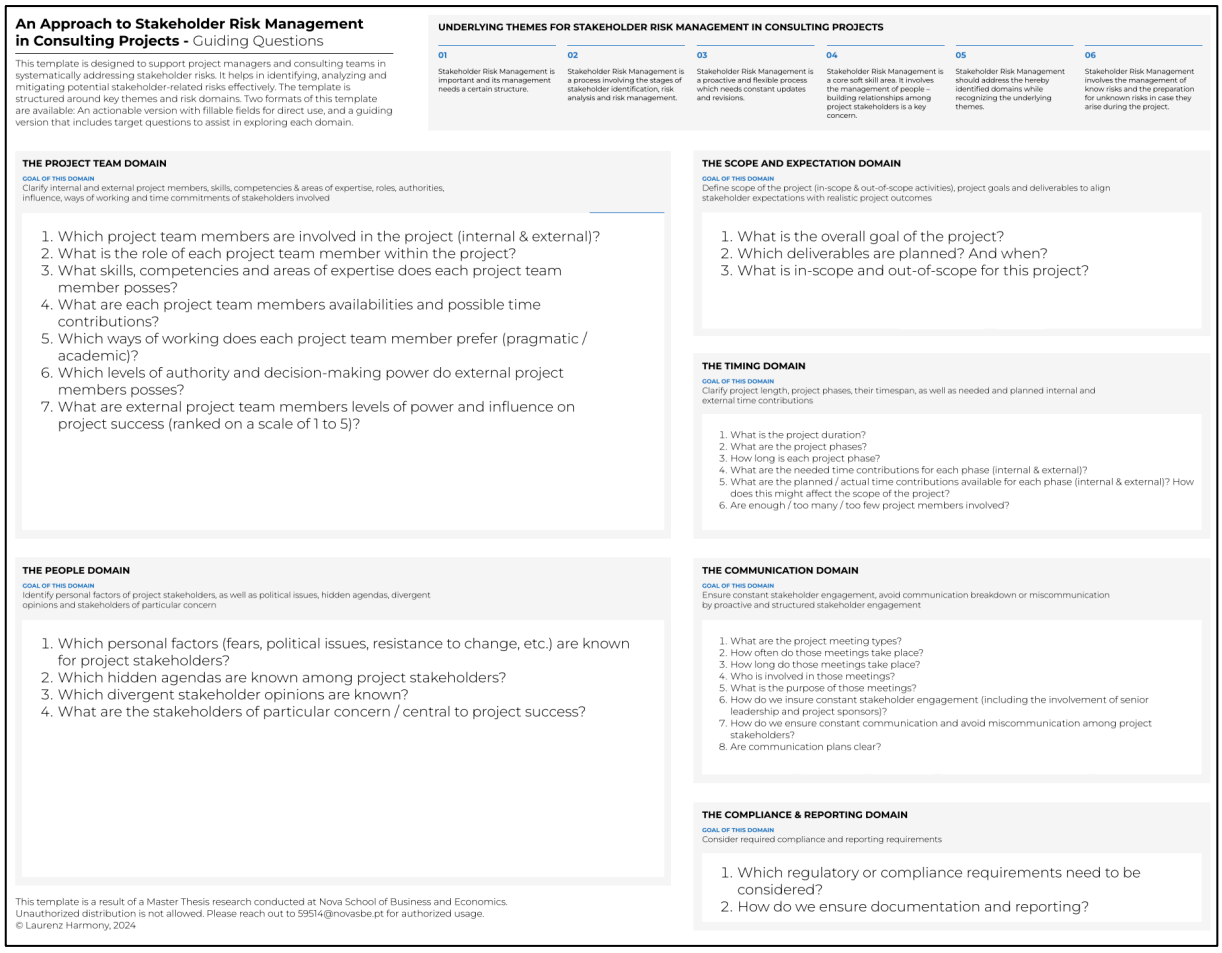
Appendix 15 – Guiding Questions Template

Note: A high-resolution PDF version of this template can be found at the end of the document



An Approach to Stakeholder Risk Management in Consulting Projects - Guiding Questions

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UNDERLYING THEMES FOR STAKEHOLDER RISK MANAGEMENT IN CONSULTING PROJECTS

01 Stakeholder Risk Management is important and its management needs a certain structure.

02 Stakeholder Risk Management is a process involving the stages of stakeholder identification, risk analysis and risk management.

03 Stakeholder Risk Management is a proactive and flexible process which needs constant updates and revisions.

04 Stakeholder Risk Management is a core soft skill area. It involves the management of people – building relationships among project stakeholders is a key concern.

05 Stakeholder Risk Management should address the hereby identified domains while recognizing the underlying themes.

06 Stakeholder Risk Management involves the management of know risks and the preparation for unknown risks in case they arise during the project.

THE PROJECT TEAM DOMAIN

GOAL OF THIS DOMAIN
Clarify internal and external project members, skills, competencies & areas of expertise, roles, authorities, influence, ways of working and time commitments of stakeholders involved

1. Which project team members are involved in the project (internal & external)?
2. What is the role of each project team member within the project?
3. What skills, competencies and areas of expertise does each project team member posses?
4. What are each project team members availabilities and possible time contributions?
5. Which ways of working does each project team member prefer (pragmatic / academic)?
6. Which levels of authority and decision-making power do external project members posses?
7. What are external project team members levels of power and influence on project success (ranked on a scale of 1 to 5)?

THE SCOPE AND EXPECTATION DOMAIN

GOAL OF THIS DOMAIN
Define scope of the project (in-scope & out-of-scope activities), project goals and deliverables to align stakeholder expectations with realistic project outcomes

1. What is the overall goal of the project?
2. Which deliverables are planned? And when?
3. What is in-scope and out-of-scope for this project?

THE TIMING DOMAIN

GOAL OF THIS DOMAIN
Clarify project length, project phases, their timespan, as well as needed and planned internal and external time contributions

1. What is the project duration?
2. What are the project phases?
3. How long is each project phase?
4. What are the needed time contributions for each phase (internal & external)?
5. What are the planned / actual time contributions available for each phase (internal & external)? How does this might affect the scope of the project?
6. Are enough / too many / too few project members involved?

THE PEOPLE DOMAIN

GOAL OF THIS DOMAIN
Identify personal factors of project stakeholders, as well as political issues, hidden agendas, divergent opinions and stakeholders of particular concern

1. Which personal factors (fears, political issues, resistance to change, etc.) are known for project stakeholders?
2. Which hidden agendas are known among project stakeholders?
3. Which divergent stakeholder opinions are known?
4. What are the stakeholders of particular concern / central to project success?

THE COMMUNICATION DOMAIN

GOAL OF THIS DOMAIN
Ensure constant stakeholder engagement, avoid communication breakdown or miscommunication by proactive and structured stakeholder engagement

1. What are the project meeting types?
2. How often do those meetings take place?
3. How long do those meetings take place?
4. Who is involved in those meetings?
5. What is the purpose of those meetings?
6. How do we insure constant stakeholder engagement (including the involvement of senior leadership and project sponsors)?
7. How do we ensure constant communication and avoid miscommunication among project stakeholders?
8. Are communication plans clear?

THE COMPLIANCE & REPORTING DOMAIN

GOAL OF THIS DOMAIN
Consider required compliance and reporting requirements

1. Which regulatory or compliance requirements need to be considered?
2. How do we ensure documentation and reporting?

An Approach to Stakeholder Risk Management in Consulting Projects - Actionable Template

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05
Stakeholder Risk Management should address the hereby identified domains while recognizing the underlying themes.

06
Stakeholder Risk Management involves the management of know risks and the preparation for unknown risks in case they arise during the project.

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CLIENT PROJECT TEAM						
						1 2 3 4 5
						1 2 3 4 5
						1 2 3 4 5
						1 2 3 4 5

THE SCOPE AND EXPECTATION DOMAIN

GOAL OF THIS DOMAIN
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	WHAT	WHEN	IN SCOPE	OUT OF SCOPE

THE TIMING DOMAIN

GOAL OF THIS DOMAIN
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THE COMMUNICATION DOMAIN

GOAL OF THIS DOMAIN
Ensure constant stakeholder engagement, avoid communication breakdown or miscommunication by proactive and structured stakeholder engagement

Meeting Type	Frequency	Duration	Participants	Purpose

THE COMPLIANCE & REPORTING DOMAIN

GOAL OF THIS DOMAIN
Consider required compliance and reporting requirements

Compliance Requirements	Reporting Requirements

An Approach to Stakeholder Risk Management in Consulting Projects - Guiding Questions

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Stakeholder Risk Management is a proactive and flexible process which needs constant updates and revisions.

04

Stakeholder Risk Management is a core soft skill area. It involves the management of people – building relationships among project stakeholders is a key concern.

05

Stakeholder Risk Management should address the hereby identified domains while recognizing the underlying themes.

06

Stakeholder Risk Management involves the management of know risks and the preparation for unknown risks in case they arise during the project.

THE PROJECT TEAM DOMAIN

GOAL OF THIS DOMAIN

Clarify internal and external project members, skills, competencies & areas of expertise, roles, authorities, influence, ways of working and time commitments of stakeholders involved

1. Which project team members are involved in the project (internal & external)?
2. What is the role of each project team member within the project?
3. What skills, competencies and areas of expertise does each project team member posses?
4. What are each project team members availabilities and possible time contributions?
5. Which ways of working does each project team member prefer (pragmatic / academic)?
6. Which levels of authority and decision-making power do external project members posses?
7. What are external project team members levels of power and influence on project success (ranked on a scale of 1 to 5)?

THE PEOPLE DOMAIN

GOAL OF THIS DOMAIN

Identify personal factors of project stakeholders, as well as political issues, hidden agendas, divergent opinions and stakeholders of particular concern

1. Which personal factors (fears, political issues, resistance to change, etc.) are known for project stakeholders?
2. Which hidden agendas are known among project stakeholders?
3. Which divergent stakeholder opinions are known?
4. What are the stakeholders of particular concern / central to project success?

THE SCOPE AND EXPECTATION DOMAIN

GOAL OF THIS DOMAIN

Define scope of the project (in-scope & out-of-scope activities), project goals and deliverables to align stakeholder expectations with realistic project outcomes

1. What is the overall goal of the project?
2. Which deliverables are planned? And when?
3. What is in-scope and out-of-scope for this project?

THE TIMING DOMAIN

GOAL OF THIS DOMAIN

Clarify project length, project phases, their timespan, as well as needed and planned internal and external time contributions

1. What is the project duration?
2. What are the project phases?
3. How long is each project phase?
4. What are the needed time contributions for each phase (internal & external)?
5. What are the planned / actual time contributions available for each phase (internal & external)? How does this might affect the scope of the project?
6. Are enough / too many / too few project members involved?

THE COMMUNICATION DOMAIN

GOAL OF THIS DOMAIN

Ensure constant stakeholder engagement, avoid communication breakdown or miscommunication by proactive and structured stakeholder engagement

1. What are the project meeting types?
2. How often do those meetings take place?
3. How long do those meetings take place?
4. Who is involved in those meetings?
5. What is the purpose of those meetings?
6. How do we insure constant stakeholder engagement (including the involvement of senior leadership and project sponsors)?
7. How do we ensure constant communication and avoid miscommunication among project stakeholders?
8. Are communication plans clear?

THE COMPLIANCE & REPORTING DOMAIN

GOAL OF THIS DOMAIN

Consider required compliance and reporting requirements

1. Which regulatory or compliance requirements need to be considered?
2. How do we ensure documentation and reporting?