Stakeholder management: A theoretical analysis of the PMBOK® Guide

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Abstract

Professional certification is an important part of many specialized occupations. For project managers, one certifying body is the Project Management Institute (PMI). To achieve their certification(s), project managers must demonstrate proficiency in a wide variety of associated skills and agree to abide by the PMI's Code of Ethics and Professional Conduct. In this paper, we briefly review the underlying ethical theoretical foundation of stakeholder theory and the PMI's Code of Ethics and Professional Conduct. We assessed the PMBOK® Guide to determine where the approach is one of management of stakeholders versus one of management for stakeholders. The areas where there may be inconsistencies between stakeholder theory, the expected codes of ethical and professional conduct for project managers, and the PMBOK® Guide were identified using content analysis. It is our finding that when project achievement is stressed in the PMBOK® Guide, project managers may fail to place a priority on their moral obligation to protect stakeholders and may fail to demonstrate the PMI established values of responsibility, respect, fairness, and honesty.

Key Words: normative stakeholder theory, project management, code of ethics, fairness theory, theory of the common good

Introduction

Stakeholder theory suggests that managers and decision makers within the organization have an obligation not only to investors, but to various groups of individuals, both inside and outside of the organization (Freeman, 1984). These include groups with a direct interest in the organization (employees, suppliers, customers, investors) as well as secondary stakeholders who may only have an indirect interest in the organization (communities, trade associations, political groups, competitors). Donaldson and Preston (1995) argue that a stakeholder group is identified based on the group's interest in the organization, not the organization's interest in the group.

The stakeholder culture is also demonstrated by professional organizations. For example, the Project Management Institute (PMI) provides an extensive framework of guidelines in their PMBOK® Guide. The PMBOK® Guide is a 589 page book used as both a textbook for students in project management and as a reference guide for professionals in the field. The PMI PMBOK® Guide has been developed by practitioners for practitioners, world-wide. It intends to provide knowledge and guidelines that have proven to apply well to "most projects most of the time" yielding higher chances of project success. These guidelines include stakeholder considerations throughout the project management process (PMI, 2013). In further support of a culture that puts others before self-interest, PMI has also created and formally adopted a global Code of Ethics and Professional Conduct (Code of Ethics, 2013). This values-based code outlines the expected attitudes and behaviors for credentialed and certified project managers. Members and associated non-members are expected to uphold the values of responsibility, respect, fairness, and honesty. Project managers "are committed to doing what is right and honorable" (p. 1) and one of the terms of certification from PMI requires each individual to accept the Code of Ethics and Professional Conduct (p. 1).

Together, the PMBOK® Guide and the values-based Code of Ethics and Professional Conduct are the foundation for the certification exams for both the CAPM (Certified Associate Project Manager) and the PMP (Project Management Professional). Students are introduced to the profession with these materials and continuing practitioners maintain them as desk reference for guidance in meeting professional obligations. However, there seems to be some inconsistencies between what is taught and practiced from a project and stakeholder management perspective as documented in the PMBOK® Guide and the values-based Code of Ethics and Professional Conduct. In many ways these inconsistencies are one of approach. Both stakeholder theory and the Code of Ethics and Professional Conduct emphasize the intrinsic value of stakeholders and the ethical responsibility of project managers to manage projects for stakeholders. That is, project management is important so that stakeholder needs and concerns are satisfied. This is shown when project goals and objectives are shifted in response to stakeholder needs and concerns. The project is a means by which to satisfy stakeholders, whose goals and concerns are the reason for the existence of the project.

Yet, there appears to be some sections of the PMBOK® Guide that suggest that project managers should manage stakeholders for projects. That is, stakeholder management is important so that project goals and objectives are satisfied. With this rational, instead of a management for stakeholders approach, we have a management of stakeholders approach. This is seen when the project goals and objectives are held firm and given priority over stakeholder needs and concerns which are expected to shift in favor of the project. It is almost as if the project is seen as the end itself instead of as a means to satisfy stakeholder needs and concerns. If the focus is on project goals, project managers may fail to place a priority on the PMI established moral obligation to satisfy stakeholders needs and concerns.

In this paper, we briefly review the underlying ethical theoretical foundation of stakeholder theory and the PMI's Code of Ethics and Professional Conduct. We then use stakeholder theory as a lens in

which to guide the data collection, analysis, and discussion (see Creswell, 2009 for the importance of theory in qualitative research). Data from the PMBOK® Guide is gathered using content analysis and then we analyze this data in terms of where there may be inconsistencies between it, stakeholder theory, and the expected codes of ethical and professional conduct for project managers as described in PMI's Code of Ethics and Professional Conduct. Our assessment of the use of stakeholder language suggests that in many cases the PMBOK® Guide is consistent with PMI's Code of Ethics and Professional Conduct. When there is consistency between the PMBOK® Guide and the Code of Ethics and Professional Conduct, the tone of the material presented is one which places the needs and concerns of the stakeholders above the goals and objectives of the project itself. However, there are clear examples of a managing of stakeholder approach within the PMBOK® Guide, where the tone is such that guidelines and suggestions appear to place the goals and objectives of the project above the needs and concerns of the stakeholders. As such we highlight the areas where the PMBOK® Guide is inconsistent with the PMI Code of Ethics and Professional Conduct. Our contribution is a first step toward the potential resolution of these inconsistencies, their identification. It is through this first step that PMI has the opportunity to improve the PMBOK® Guide in ways that consistently advance their espoused vision and purpose.

Theoretical Background

Stakeholder theory

Stakeholder theory of the organization has been explained from a three-part taxonomy: descriptive, instrumental, and normative (Donaldson & Preston, 1995). From a descriptive perspective, stakeholder theory identifies the organization's stakeholders and also describes and explains organization behavior and how organizations are managed. An instrumental perspective identifies potential outcomes (i.e. profit, growth) if or when an organization practices a stakeholder approach in decision making (see also Jones, 1995). From a normative perspective, stakeholder theory explains how an organization should relate to stakeholders. With a normative view, the interests of stakeholders are intrinsically valued in their own right and the interests of stakeholders is argued from a moral standpoint. "A moral justification for firm/stakeholder relationships is the central tenet of stakeholder theory" (Jones, Felps, & Bigley, 2007, p. 141). Rowley (1998) argues that the normative perspective of stakeholder theory is analogous to the social responsibility obligations of an organization. While social responsibility is a concept that speaks to an organization's moral responsibility to society in general, stakeholder theory speaks to moral responsibility to more specific groups.

Fairness theory

Given that the normative perspective of stakeholder theory includes a moral argument of the intrinsic rights of various groups, it is not surprising that stakeholder theory has also been tied to ethical theory (Argandona, 1998; Phillips, 1997). This is not to say that stakeholder theory is an approach to business ethics (Orts & Strudler, 2009). Rather, Phillips (1997) argues that the principle of fairness justifies the importance of considering stakeholder needs and concerns. Fairness theory suggests that there is an obligation among parities to cooperate and balance the benefits with the contributions made. As such, fairness theory provides a normative justification for stakeholder theory. The organization is obligated to fairly distribute benefits to all contributing groups. In addition, the definition of fairness theory includes cooperation among involved parties. When conflict arises, the cooperating parties search for mutually beneficial resolutions or those that at least reduce the negative outcomes for all involved parties. The cooperative aspect of fairness theory specifically rejects schemes involving treachery or those actions that violate fair play. Fairness theory does not specify the content of obligations, only that the obligation of fairness to stakeholders exists.

The Code of Ethics and Professional Conduct does specify the specific moral obligations to stakeholders. One of these specific moral obligations is the importance of fairness. "Fairness is our duty to make decisions and act impartially and objectively. Our [project managers] conduct must be free from competing self-interest, prejudice, and favoritism" (Code of Ethics, 2013, p. 3). As such, the underlying ethical theory of fairness for justifying the importance of considering stakeholder needs and concerns corresponds well with the ethical expectations and obligations of project managers as outlined by the Code of Ethics and Professional Conduct.

Theory of the common good

Arganadona (1998) argues that stakeholder theory is supported by the concept of the common good. As members of a society, individuals are naturally bonded in a society that both fulfills their needs and goals and enables them to develop as human beings. The common good includes the conditions of society that allow all members to fulfill their needs and goals, not one more than any other. From an organizational perspective, internal stakeholders are members of an organizational society and are bonded to fulfill the common good of the company while fulfilling their own needs and goals. For example, employees fulfill their job duties in exchange for salary, security, and intrinsic satisfaction; customers exchange their business and good will for safe products and services; suppliers exchange their goods and raw materials for revenue and prospective trade; and investors exchange their capital for future profits. However, the organization is also part of a larger society and has obligations for the common good of secondary stakeholders (i.e. community, trade associations, political groups, competitors). For example, a community may trade its limited geography for a grocery store which will generate tax revenue, employ and provide foodstuffs for its citizens, and contribute to the social aspects of community with philanthropy. Arganadona (1998) further argues that while the theory of the common good may not dictate a list of duties the organization owes stakeholders nor the duties stakeholders owe the organization, it does morally justify why such duties are obligated.

The Code of Ethics and Professional Conduct also stresses the importance of responsibility. "We [Project managers] make decisions and take actions based on the best interests of society, public safety, and the environment" (Code of Ethics, 2013, p. 2). The best interest of society, public safety, and the environment are all aspects of the common good and do not place the needs or desires of one above the needs or desires of all. As such, the underlying ethical theory of the common good for justifying the importance of considering stakeholder needs and concerns also corresponds well with the ethical expectations of project managers as outlined by the Code of Ethics and Professional Conduct.

Fairness theory and the theory of the common good both offer convincing ethical theoretical justification for considering stakeholder needs and concerns in project manager decision making. While they come from differing ethical perspectives,

they are not actually contradictory. Ethical theory provides arguments from many differing moral perspectives, and while these arguments may be different, they nonetheless have merit in helping us understand normative aspects of human interaction. In addition, they both correspond with the values-based PMI Code of Ethics and Professional Conduct. However, neither fairness theory nor the theory of the common good provides specific guidance for considering stakeholder obligations. Instead, project managers must rely on the training and professional obligations as outlined by PMI, both through the PMI Code of Ethics and Professional Conduct and through The PMBOK® Guide.

The PMBOK® Guide includes a description of the stakeholder approach to decision making and offers suggestions for identifying and considering the needs and concerns of various stakeholder groups (PMI, 2013). However, Eskerod and Huemann (2013) claim that the practices of project managers routinely misapply stakeholder theory. They argue that instead of managing for stakeholders, current practices are more aligned with a managing of stakeholders approach, "i.e. making stakeholders comply [with] project needs" (p. 36). This approach seems to be espoused by Sutterfield, Friday-Stroud, and Shivers-Blackwell (2006) in their analysis of the DOD LAMP-H project (see also Beringer, Jonas, & Georg Gemunden, 2012). In their analysis, Sutterfield et al. discuss the competing goals of various stakeholder groups. "By not effectively identifying and managing the hidden and oftentimes conflicting agendas of project stakeholders early in the project management process, many projects are doomed to experience costly failures" (Sutterfield et al., 2006, p. 33). Examples of conflicting agendas include stakeholders from above the project manager's position who may wish to extract project funds for their own departments; stakeholders below the project manager's position who may desire to protect vested interests; or stakeholders who may consider the project manager as a threat to their functional authority. Recommendations are made that include following an outlined Project Stakeholder Management Strategy Framework that will "aid project managers in managing project stakeholders and their various agendas" (Sutterfield et al., 2006, p. 33). These recommendations fall within a managing of stakeholder approach and may contradict the PMI Code of Ethics and Professional Conduct to place stakeholder needs and concerns above those of the project.

Stakeholder theory and the Code of Ethics and Professional Conduct emphasize the intrinsic value of stakeholders and the ethical responsibility of project managers to manage projects for stakeholders. Both theory (Eskerod & Huemann, 2013) and practice (Sutterfield et al., 2006) offer evidence that there may be inconsistencies between the values and mission of the PMI Code of Ethics and Professional Conduct and standard practices of project managers. With a focus on project needs, project managers may fail to place a priority on their moral obligation to protect stakeholders. With this rational, instead of a project management for stakeholders approach, we have a management of stakeholders approach. In order to determine if the inconsistencies in approach is one that is systemic and established within the educational processes of project managers, we offer an analysis to compare the suggestions for stakeholders management in the PMBOK® Guide, to the values and mission of the Code of Ethics and Professional Conduct and normative stakeholder theory.

Methodology

We used content analysis of the PMBOK® Guide and the Code of Ethics and Professional Conduct to gather and evaluate the data for the study. Content analysis is a qualitative method for describing the content of communications in an objective and systematic manner. It involves defining the content to be studied, the concepts to be measured, the unit of analysis, the sampling plan, and the scheme for categorizing the content (Kennan, Cecez-Kecmanovic, Willard, & Wilson, 2009; Polit & Hungler, 1997; Waltz, Strickland, & Lenz, 1991; Weber, 1990). The project management literature has included content analyses as a valid technique (Bjørn, Karlsen, & Grønhaug, 2007).

We identified the PMBOK as our content to be studied, an industry-wide document to guide project management activities. Using an electronic search process, we searched a PDF version of the PMBOK® Guide (PMI, 2013) for the word stakeholder(s). For our sampling plan, all instances of the use of stakeholder(s) were recorded. We validated the context of each occurrence of the term stakeholder consistent with Krippendorff's (2004) standards of contextual validity.

After recording every occurrence of the term stakeholder(s), we then evaluated the context in which the word was used in order to classify the occurrence as one of either a management for or managing of stakeholder using the definitions below. Context provides the reader the meaning of the word in use and can be verified using multiple coders (Manning & Cullum-Swam, 1994). Full agreement between the two authors was reached for every classification, an indication of coder reliability (Manning & Cullum-Swam, 1994).

Definitions

Management for stakeholders. Project management is important so that stakeholder needs and concerns are satisfied (Eskerod, & Huemann, 2013).

Management of stakeholders. Stakeholder management is important so that project needs and concerns are satisfied (Eskerod, & Huemann, 2013).

Results: Stakeholder Management in the PMBOK® Guide

The PMBOK® Guide (PMI, 2013) introduces itself in its purpose section (section 1.1, p. 2) aspiring to be "… generally recognized as good practice" or guidelines wherein good practice enhances the probability of project success when replicated many times. They then specify that project success is measured by project quality, timeliness, budget compliance, and degree of customer satisfaction (p 8). PMI has created a separate document for its code of ethics, the Code of Ethics and Professional Conduct (Code of Ethics, 2013) that applies to PMI-affiliated practitioners when interacting with any stakeholder, must be accepted to achieve PMI certification, and is tested as part of the PMI certification exams. Below is an analysis of the PMBOK® Guide by its sections that explicitly reference stakeholders. Our analysis is further organized by four subsections: Introduction, Organizational Influences and the Project Life Cycle, Project Management Processes, and Project Management Knowledge Areas and mimics the organization found in the PMBOK® Guide. We provide subsection summaries and examples from the PMBOK® Guide that support either a management for stakeholders approach or a management of stakeholders approach. In addition, we also compare the PMBOK® Guide to the Code of Ethics and Professional Conduct. Table 1 (p. 37) displays the results of the management of stakeholders approach. A complete appendix of results is available from the

Management of stakeholders
Code of Ethics values conflict by PMBOK Chapter

PMBOK section (reference)	Statement that reflect Of stakeholders	Code of Ethics possible values conflict
What is Project Management (1.3)	"Managing stakeholders towards meeting project requirements and creating project deliverables"	Respect
Interpersonal Skills of the Project Manager (1.7.2)	Important interpersonal skills of a project manager include "influencing"	Respect
Project Stakeholders (2.2.1)	"Project manager should manage the influences of these various stakeholders in relation to the project requirements to ensure a successful outcome"	Respect
Initiating Process Group (3.3)	"purpose is to align the stakeholders' expectations with the project's purpose"	Honesty; Respect
Executing Process Group (3.5)	"This Process Group involves coordinating people and resources, managing stakeholder expectations, as well as integrating and performing the activities of the project in accordance with the project management plan."	Respect
Direct and Manage Project Work (4.3)	"Manage stakeholders and their engagement"	Responsibility
Project Human Resource Management (9)	"The project manager needs to be aware of and influence, when possible, human resource factors that may impact the project…include[ing]… communications among stakeholders"	Honesty; Respect
Project Manager Interpersonal Skills (9.4.2.4)	"Key influencing skills include:… ability to be persuasive"	Respect
Communication Requirements Analysis (10.1.2.1)	"Determine and limit who will communicate with whom and who will receive what information"	Fairness; Honesty
Stakeholder Management (13)	The Project Stakeholder Management processes … include… control stakeholder engagement…[and] manage stakeholders"	Fairness; Honesty
Identify Stakeholders (13.1)	Identify not only stakeholder level of interest and expectations, but also their importance and influence. This "allows the project manager to identify the appropriate focus for each stakeholder"	Fairness
Identify Stakeholders: Tools and Techniques – Stakeholder Analysis (13.1.2.1)	It "helps to identify stakeholder relationships … that can be leveraged to build coalitions and potential partnerships to enhance the project's chance of success, along with stakeholder relationships that need to be influenced differently at different stages of the project"	Fairness; Honesty; Respect
	"Assess how key stakeholders are likely to react or respond to various situations, in order to plan how to influence them to enhance their support and mitigate negative impacts"	Fairness; Honesty; Respect
	Classify stakeholders: power vs interest or power vs influence or influence vs impact or salience	Fairness; Honesty; Respect
Identify Stakeholders: Stakeholder Register (13.1.3.1)	Including "potential influence in the project", "classification[:] supporter/neutral/resistor"	Fairness
Plan Stakeholder Management (13.2)	"Based on [stakeholder] potential impact on project success". "Key benefit… is that it provides a clear, actionable plan to interact with project stakeholders to support the project's interests"	Fairness; Honesty
	"The engagement level of the stakeholder can be classified as follows: unaware: unaware of project and impacts; resistant: aware…, but resistant to change; neutral: aware…, yet neither supportive or resistant; supportive: aware and supports change; leading: aware and actively engaged"	Fairness; Honesty
Plan Stakeholder Management: Stakeholder Management Plan (13.2.3.1)	"Desired and current engagement levels of key stakeholders"	Fairness
Manage Stakeholder Engagement (13.3)	"Allows the project manager to increase support and minimize resistance from stakeholders, significantly increasing the chances to achieve project success"	Respect
Management Skills (13.3.2.3)	"The project manager applies management skills to coordinate and harmonize the group toward accomplishing the project objectives. For example: facilitate consensus toward objectives, influence people to support the project, negotiate agreements to satisfy the project needs, and modify organizational behavior to accept the project outcomes"	Respect

Table 1: Management of stakeholders

authors.

Section 1: Introduction

The first section of the PMBOK® Guide covers how PMI defines a project, discusses where it sees project management in the organization, explains its relationship with non-project processes, considers the impact of projects in business, defines the role of the project manager, and introduces the project management body of knowledge. It is this section that explicitly places all of the project's interaction with stakeholders under the purview of the Code of Ethics and Professional Conduct. The purpose of project management, as defined by the PMBOK® Guide, clearly supports the management for stakeholders approach of the ethics code (Code of Ethics, 2013). The PMBOK® Guide describes typical management activities as "addressing the various needs, concerns, and expectations of stakeholders in planning and executing the project;" and "setting up, maintaining and carrying out communications among stakeholders that are active, effective and collaborative in nature" (p. 6); and "consider and appropriately include operational stakeholders in all phases of projects" (p. 13). Each of these sections of the PMBOK® Guide focuses on the importance of using a managing of stakeholder approach.

However, the PMBOK® Guide tenors the approach toward a management of stakeholders approach when considering specific outcomes as those of project deliverables. Here the PMBOK® Guide suggests "managing stakeholders towards meeting project requirements and creating project deliverables" (p. 6) when describing typical project activities and includes "influencing" as an "important interpersonal skill" of a project manager (p. 18). If unduly influencing others, the value of respect as outlined in the ethics code may be violated. In addition, the stakeholder's level of influence is also called out to be documented and managed, suggesting that special consideration should be given to decision makers and influencers. By treating some stakeholders differently than others, the value of fairness as outlined in the ethics code may be violated.

Section 2: Organizational Influences and the Project Life Cycle

The PMBOK® Guide discusses the organizational interactions of the project with its environment as well as its life cycle. It specifies that project managers should be aware of the diversity of organizations and the diversity of project environments. "A project manager should therefore understand the different organizational styles and cultures that may affect a project" (p. 20). These diversity guidelines support the spirit of the respect value as outlined in the ethics code. The project manager is encouraged to document all stakeholders, both internal and external to the organization, along with their needs and expectations. "Stakeholder identification is a continuous process throughout the entire project life cycle. Identifying stakeholders, understanding their relative degree of influence on a project, and balancing their demands, needs, and expectations are critical to the success of the project" (p. 31). The project manager is encouraged to establish formal and informal two-way communication vehicles to enable communication from and to the project manager. The formal communication vehicles include established organizational communication channels "to more effectively communicate with all relevant stakeholders within the organizational structure to facilitate decision making" (p. 21) The Guide also notes that "stakeholders and project team members can also use electronic communications to communicate with the project manager formally or informally" (p. 21). Project managers should consider "conditions …not under the

control of the project team, that influence, constrain, or direct the project" and explicitly "stakeholder risk tolerances" (p. 29). Project governance is defined by PMI in the Guide as "the alignment of the project with stakeholders' needs or objectives" and the project governance "provides a framework in which the project manager and sponsors can make decisions that satisfy both stakeholder needs and expectations and organizational strategic objectives or address circumstances where these may not be in alignment" (p. 30). Project success is to be approved by the authorized stakeholders and not just the project team or project manager. "Project success should be referred to the last baselines approved by the authorized stakeholders" (p. 35). Continual communication matches the expectations of transparency under the fairness value of the ethics code. All of these activities support the for stakeholders approach.

However, this section also has a focus on managing stakeholders' influence and the management of stakeholder expectations. Examples include: listing 'influencing' as an important interpersonal skill of a project manager (p. 18), "the project manager should manage the influences of these various stakeholders in relation to the project requirements" (p. 31), and "an important part of a project manager's responsibility is to manage stakeholder expectations" (p. 32). These statements reflect a possible violation of the value of respect as outlined in the ethics code by unduly influencing others.

Section 3: Project Management Processes

The PMBOK® Guide acknowledges that "the project processes are performed by the project [manager] with stakeholder interaction" (p. 47). This starts within the Initiating Process Group where "internal and external stakeholders who will interact and influence the overall outcome of the project are identified" (p. 54). Key purposes of the Initiating Process Group are to give stakeholders "visibility about the scope and objectives, [and] show how their participation in the project and it[s] associated phases can ensure that their expectations are achieved" (p. 54). As the project proceeds, status should be communicated to stakeholders. Continued communication matches the expectations of transparency under the fairness value of the ethics code. However, the managing of stakeholder language of this section may challenge the motives of the activities. For example, the PMBOK® Guide also states that "the key purpose of this [Initiating] Process Group is to align the stakeholders' expectations with the project's purpose" (p. 54). In this thinking, the project is not changed to match the stakeholders' expectations, but rather the stakeholders' expectations are changed so that they match the project. Better that terminology should be such that the purpose of the Initiating Process Group is to align the project's purpose with the stakeholders' expectations. Similarly, the Executing Process Group includes language such as "coordinating people and resources, managing stakeholder expectations" (p. 56). This language implies that the project needs and concerns take priority over the needs and concerns of the stakeholder, a possible violation of the moral obligations outlined by normative stakeholder theory and a possible violation of respect as outlined in the ethics code.

Section 4: Project Management Knowledge Areas

There are ten Knowledge Areas within the PMBOK® Guide and they represent PMI's project management body of knowledge. These include the management of: project integration, project scope, project schedule, project cost, project quality, human resources, project communications, project risk, project procurement, and project stakeholders. Only those Manage-

ment Knowledge Areas which specifically mention stakeholder issues are discussed below.

Project integration management. This first Knowledge Area describes how the project management processes are coordinated within the Project Management Process Groups. There are six processes identified within the PMBOK® Guide for the Knowledge Area Project Integration Management (sections 4.1 to 4.6) and each has stakeholder issues discussed. The charter (section 4.1) is a document that formally authorizes the existence of a project and provides the project manager with the authority to apply organizational resources to project activities. The guidelines for constructing the business case for the project are explained in this section. Here stakeholders are sought to provide inputs. "The business need and cost-benefit analysis are contained in the business case to justify and establish boundaries for the project, and such analysis is usually completed by a business analyst using various stakeholder inputs" (p. 69). "The project manager is responsible for ensuring that the project effectively and efficiently meets the goals of the organization and those requirements of a broad set of stakeholders" (p. 69). This first process is consistent with a management for stakeholders approach and demonstrates the value of respect as outlined in the ethics code. The Project Management Plan (section 4.2) "may also include requirements and techniques for communication among stakeholders" (p. 77) and is fully supportive of the management for stakeholders approach by demonstrating the value of fairness through transparency as outlined in the ethics code. The Direct and Manage Project Work (section 4.3) process includes how the project manager will define and perform the work as well as implement approved changes. The focus here is completing work per the plan and the project manager is urged to "manage stakeholders and their engagement" (p. 81) to accomplish the approved scope of work. At this point the tone exhibits a management of stakeholders approach and the focus on success of the project may reduce the emphasis on stakeholder needs and concerns. This process may violate the value of responsibility as outlined in the ethics code through not taking actions that are in the best interest of society.

The last two processes (Monitor and Control Project Work and Perform Integrated Change Control, sections 4.4-4.5, respectively) are generally supportive of the management for stakeholders approach in their inclusive outreach to stakeholder participation or at least in the communication of the project status. "The key benefit of this [Monitor and Control Work] process is that it allows stakeholders to understand the current state of the project, the steps taken, and budget, schedule, and scope forecasts" (p. 88). Stakeholders are also encouraged to support feedback processes at the end of a project or project phase. A Control Change Board (CCB) is typically formed and "the roles and responsibilities of these boards are clearly defined and agreed on by appropriate stakeholders" (p. 99). "Stakeholders may be asked to provide their expertise and may be asked to sit on the change control board" (p. 98). In addition, "CCB decisions are communicated to the stakeholders for information and follow-up actions" (p. 99). More generally, the project team is to apply expert judgment to all technical and management details here and throughout all knowledge areas and details can be provided by any group, including stakeholders (p. 99). The project team uses meetings to discuss and address topics of the project and stakeholders involved or affected by the topics may be asked to attend. These processes demonstrate the values of responsibility, fairness, and respect as outlined in the ethics code.

Project scope management. Stakeholders may be included

in scope planning, but there is an interest in "active stakeholder involvement in the discovery and decomposition of needs into requirements" (p. 112) of the project. Requirements can then be tagged as needs of a specific stakeholder or stakeholder group. The engagement may include direct interviews, focus groups, and/or facilitated workshops, each designed to ferret out expectations, attitudes, and needs of stakeholders. Requirements are made accountable to stakeholders via documentation of acceptance criteria for meeting their satisfaction. "Additional attributes to ensure that the requirement has met stakeholders' satisfaction may include stability, complexity, and acceptance criteria" (p. 119). The project management is then encouraged to analyze impacts of this requirements data to other organizational areas and stakeholders. The scope statement is the result of the requirements collection and communicates project scope to stakeholders. The scope statement "may contain explicit scope exclusions that can assist in managing stakeholder expectations" (p.123). When the project manager clearly outlines what is not only in scope but also what is not included in the project scope, stakeholder information is transparent. This knowledge area generally supports a management for stakeholders approach by being inclusive and proactive in the gathering of requirement and expectations from stakeholders and demonstrates the value of respect as outlined in the ethics code.

Project schedule, cost, and quality management. The next three Knowledge Areas cover the project performance parameters of schedule, cost and quality. The focus here is on establishing feasibility, setting up communication and control processes for execution, and managing changes. Throughout these, stakeholders are considered with regard to approval of plans, communication effectiveness and efficiency and with transparency, and attainment of objectives for stakeholder satisfaction (pp. 148, 181, 195, 216, 229, 248). These three areas generally take a management for stakeholders approach and demonstrate the value of fairness (through transparency) as outlined in the ethics code.

Human resources management. This Knowledge Area is focused on the management of the project team. Some management for stakeholder considerations are made, notably the consideration of proximity of the team to stakeholders (p. 277) and demonstrates the value of respect as outlined in the ethics code. The list of suggested project manager interpersonal skills includes "strong leadership skills" (p. 284) to "communicate the vision and inspire the project team to achieve high performance" (p. 284). This interpersonal skill supports the management for stakeholders approach and demonstrates the value of respect as outlined in the ethics code. The skills also include "the ability to influence stakeholders on a timely basis" espousing the "ability to be persuasive" (p. 284), which may lead to a management of stakeholder approach and a possible violation of the value of respect as outlined in the ethics code by unduly influencing others. It is interesting to note that within the detail of the skills required to be effective at influencing we find "high levels of active and effective listening skills, awareness of, and consideration for, the various perspectives in any situation; and gathering relevant and critical information to address important issues and reach agreements while maintaining mutual trust" (p. 284), which are interpersonal skills targeted at a management for stakeholder approach and supportive of the values outlined in the ethics code.

Project communications management. The project manager is expected to spend most of his/her time communicating with team members and other stakeholders, whether internal or external. The intent is to build a bridge between diverse

stakeholders. To do this, the program manager should explicitly determine and use the most effective and efficient modes of communication based on stakeholder needs and organizational assets. The communication strategy for each stakeholder should develop "an appropriate approach and plan for project communications based on [their] information needs and requirements" (p. 287). Communication goes beyond distribution of relevant information and seeks to ensure information has been received and understood and that the shareholders are provided opportunities to request further information, clarification, and discussion. "Inadequate communications planning may lead to problems such as delay in message delivery, communication of information to the wrong audience, or insufficient communication to the stakeholders and misunderstanding or misinterpretation of the message communicated" (p. 290). Communication strategies and operations cited up to this point all support a management for stakeholders approach and demonstrate the value of respect as outlined in the ethics code. There is also discussion about using a communication requirements analysis when considering stakeholder information needs – its purpose is to communicate information that contributes to the success of the project. However, perhaps even more indicative of a management of stakeholders approach, the communication processes determine and limit who will communicate with whom and who will receive what information. For example, The PMBOK® Guide states "a key component of planning the project's actual communications is to determine and limit who will communicate with whom and who will receive what information" (p. 292). Limiting open communication may violate the value of fairness as outlined in the ethics code by not providing equal access to information as would be expected by a management for stakeholder approach supported by the PMI ethics code.

Project risk management. The focus of project risk management is to increase the likelihood and impact of positive events, and decrease the likelihood and impact of negative events in the project. Project risk includes exposure of stakeholders to implications of variations in project outcome, both negative and positive. The PMBOK® Guide also acknowledges the diversity in stakeholder risk acceptance as a function of their risk attitude. It is vital to communicate the risk management plan "and obtain agreement and support from all stakeholders to ensure the risk management process is supported and performed effectively over the project life cycle" (p. 313). Stakeholders may be asked to participate in risk identification activities (p. 321) due to the diversity in the perception of risks and their outcomes. The approach to uncertainty (risk) generally supports a management for stakeholders approach and demonstrates the value of respect and fairness as outlined in the ethics code.

Project procurement management. This deals with the management of the acquisition of products, services, or results from outside the project team. The mechanisms of procurement generally favor a management for stakeholder approach in their transparency within purchase order agreements which "includes terms and conditions, and may incorporate other items that the buyer specifies as to what the seller is to perform or provide" (p. 357). This tone demonstrates the value of fairness as outlined in the ethics code by demonstrating transparency in decision making. These contracts provide alignment of internal and external stakeholder expectations through established agreements.

Project stakeholder management. Special attention is provided by this section to include processes to identify stakeholders, and analyze their needs, expectations, and impacts on the project. It also focuses on effectively engaging stakeholders and "systematically gathering and analyzing quantitative and quali-

tative information to determine whose interests should be taken into account throughout the project. It identifies the interests, expectations and influence of the stakeholders and relates them to the purpose of the project" (p. 395). The identification and documentation of stakeholders is a management for stakeholders approach and demonstrates the value of responsibility and respect as outlined in the ethics code. Not only are stakeholders identified, they are engaged throughout the project life cycle. The PMBOK® Guide also suggests that this information be used to control stakeholder engagement and manage stakeholders. The PMBOK® Guide states "to identify stakeholder relationships that can be leveraged to build coalitions and potential partnerships to enhance the project's chance of success, along with stakeholder relationships that need to be influenced differently at different stages of the project or phase" (p. 395). This statement is one of a management of stakeholder tone and may violate the value of honesty as outlined in the ethics code. The guide suggests considering the influence level of stakeholders (using a stakeholder analysis) for active stakeholder management and focusing on the relationships necessary to ensure the success of the project. By treating some stakeholders differently than others, the value of fairness as outlined in the ethics code may be violated.

Discussion

Using content analysis, this study analyzed the potential inconsistencies between stakeholder theory, the Code of Ethics and Professional Conduct, and the PMBOK® Guide. Overall, the PMBOK® Guide has many places where the guidelines and suggestions for project management behavior clearly matches and supports both stakeholder theory and the established PMI code of ethics. However, there are places where the guidelines and suggestions for project management behavior do not correspond well. The findings from our analysis can be summarized into two general categories of inconsistencies: 1) those that give priority to the needs and concerns of the project above those of completing stakeholders and 2) those that give preferential treatment to some stakeholders over others.

First, in some places, the tone of the PMBOK® Guide suggests that project managers should exert influence over stakeholders in an attempt to change their views. This is especially seen when stakeholders do not share the same objectives and/or values as the project itself. This attempt to place the project needs and concerns above the needs and concerns of the stakeholder is a possible violation of the moral obligations organizations have to stakeholders whose needs and concerns are intrinsically valued (Jones et al., 2007). In addition, exerting influence may violate the respect value of the ethics code. Section 3.3.2 states "we do not exercise the power of our expertise or position to influence the decisions or actions of others in order to benefit personally at their expense" (Code of Ethics, 2013, p. 3). Projects often have built-in rewards for project managers who meet or exceed deadlines and overcome stakeholder obstacles. Organizational reward systems along these lines may generate potential conflict of interest (see Bell, Friedman, & Friedman, 2005, for a review on the influence of conflict of interest on unethical decision making) where the project managers place their own financial advantage over those of the stakeholders in violation of the PMI code of conduct. In addition, an organization's management may not adhere to the same value standards as the project manager and may put added pressure on the project manager to achieve project goals at any cost. As such, the project manager may slip into unethical actions in order to achieve the

plan objectives. This may also lead to possible violations of honesty (Section 5.3.1) by telling half-truths or exaggerations in an attempt to convince stakeholders to view things as the project manager does (Code of Ethics, 2013). In addition, stakeholder theory would argue that projects are a means to satisfy stakeholder needs and concerns and not an end in themselves (Jones et al., 2007). While project managers have a moral obligation to stakeholders, projects are not stakeholders, but rather an assortment of activities managed by a project manager and designed to meet stakeholder needs. Project activities themselves have no moral rights. A project that fails to satisfy stakeholder needs and concerns should not be completed. Morally, there would be no need to convince stakeholders to bend to project views as the project should bend to stakeholder needs and concerns.

A second area of possible inconsistency between stakeholder theory, the Code of Ethics and Professional Conduct, and the PMBOK® Guide revolves around the treatment of stakeholders. Guidelines in the PMBOK® Guide appear to suggest that the needs and concerns of some stakeholders should take priority over others. With some stakeholders having different levels of power, they may expect that their needs and concerns will take precedence over competing, but weaker stakeholders. Section 2.2.1 states that the project manager should make decisions based on the best interest of society (Code of Ethics, 2013). Thus, the stakeholder that takes precedence is one of the common good (Arganadona, 1998) with no one person or group benefiting more than any other. The PMBOK® guidelines also appear to suggest that some stakeholders are entitled to complete information while others are not. Chapter 4 of the ethics code states that the project manager should treat everyone without bias (Code of Ethics, 2013). As such, the espoused PMI values of responsibility and fairness may be violated if the project manager places the needs and concerns of some stakeholders above others or withholds complete information from some stakeholder groups. Yet fairness theory (Phillips, 1997), as a theoretical basis for stakeholder theory, does support that some stakeholders contribute more and so they should receive more. In this way there is a balance between the benefits and contributions made, quite fair from a fairness theory perspective. Accordingly, treating some stakeholders differently from others may not violate normative stakeholder theory if fairness theory is used as a justification. However, this conflicts with the theory of the common good as a justification for stakeholder theory. The theory of the common good argues that no one should benefit more than another or at least suffering should be equalized (Arganadona, 1998). Under the theory of the common good (Arganadona, 1998), the compromises made by the project manager would have to be equal to the compromises made by society and every other stakeholder if there is a conflict in needs and concerns.

Stakeholder theory is useful for identifying possible ethical issues from various stakeholder perspectives (Orts & Strudler, 2009). However, stakeholder theory does not provide the values that managers should espouse (Jones et al., 2007). In the case of the project manager, however, the values are outlined by PMI: responsibility, respect, fairness, and honesty are the expected values. Like all human values, these four are not entirely separate, instead they do overlap somewhat. In addition, ethical values are often in conflict. Many ethical issues develop because we must choose between two competing positive values and not

between one good and one bad. Honesty and fairness are considered as positive values by the PMI, but if it is not always possible to be both honest and fair, which should take precedence? Questions like this have been the bane of ethics philosophers for thousands of years and there are no easy answers. To make the questions harder for the project manager, our findings suggest that a fifth value is sometimes stressed in the PMBOK® Guide, that of achievement. While project achievement is an important organizational goal, stakeholder theory (Jones et al., 2007) and the PMI Code of Ethics and Professional Conduct would argue that it should never take precedence. Yet it is our finding that when project achievement is stressed in the PMBOK® Guide, one of the four values established by PMI may suffer and the underlying approach of project management changes from one of management for stakeholders to management of stakeholders.

Together, the PMBOK® Guide and the values-based Code of Ethics and Professional Conduct are the foundation for expected behavior in the project management industry. When in agreement, these documents provide a strong basis for guiding the attitudes and behaviors of project managers. However, when these foundational materials are in conflict, there is potential for attitude and behavior which do not meet PMI expectations. Both stakeholder theory and the Code of Ethics and Professional Conduct emphasize the intrinsic value of stakeholders and the ethical responsibility of project managers to manage projects for stakeholders. That is, project management is important so that stakeholder needs and concerns are satisfied. This is shown when project goals and objectives are shifted in response to stakeholder needs and concerns. The project is a means by which to satisfy stakeholders, whose goals and concerns are the reason for the existence of the project.

Using stakeholder theory as a guide, the primary focus of this paper has been to evaluate the PMBOK® Guide based on the PMI values-based Code of Ethics and Professional Conduct. As such, we made certain assumptions. The largest of which was that the espoused PMI values of responsibility, respect, fairness, and honesty were the most relevant values for the project manager. Although PMI committees have agreed on these values after many years of study, this may or may not be the case and would be an interesting area for future research. In addition, in evaluating the reference to stakeholders in the PMBOK® Guide we did not attempt to define contexts that perhaps should have made explicit reference to stakeholders in keeping with the PMI code of conduct but failed to do so. This is also an interesting area for further study.

It is our recommendation that the Project Management Institute review the areas of the PMBOK® Guide where the tone misses the opportunity to highlight the underlying values they expect for a project manager and make changes as appropriate to ensure consistency with their espoused values of responsibility, respect, fairness, and honesty. In many of these places, the tone of the PMBOK® Guide is such that the value of achievement of project goals is placed above the needs and concerns of completing stakeholders. In other sections of the PMBOK® Guide, the tone suggests that preferential treatment be given to some stakeholders over others. It is in these areas that the PMI can stress the potential for conflict and provide guidance for project managers. Values without conflict are easy to emulate, it is when there is conflict that individuals are in greatest need of guiding principles like those established by the PMI Code of Ethics.

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