The impact of stakeholder communication on project outcome

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Project management demands exercise of nine knowledge areas; managing project scope, time, cost, quality, HR, stakeholder communication, procurement, risk and integration of all these. From July 2007 to April 2009, this study observes that in the IT industry working in Islamabad, Pakistan, the results of heterogeneous IT projects suffered from problems like scope creep, cost and schedule overrun and lack of customer satisfaction on project results due to inappropriate stakeholder communication management. Focusing on stakeholder communication it was hypothesized that the quality of the stakeholder communication management determines the project outcome. Adopting stratified sampling 70 heterogeneous IT projects from 24 different software houses were selected. Using a reliable instrument, data was about the quality of stakeholder communication invested by the project managers and the consequent results of the IT projects was collected in a cross sectional manner. The data was analyzed using frequency distribution, Pearson correlation and linear regression. The findings confirmed a strong correlation and dependency of project outcome on stakeholder communication. It recommended ensuring good quality stakeholder communication considering it a primary tool for determining the project’s scope, time and cost. The study contributes guidelines and templates to help project managers improve stakeholder communication skills and its documentation respectively.

Key words: Project management, project stakeholder management, stakeholder communication, project communication management, information technology (IT) projects communication and management, stakeholder risk management.