

IMPLEMENTATION OF PROJECT MANAGEMENT STAKEHOLDER MATRIX IN SOCIAL ENTERPRISES IN LATVIA



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Abstract. Over the past decade, the role of social entrepreneurship has increased rapidly. The driving force of the social enterprises is the successful project management and ability to use various tools to further improve the work with stakeholders. Project management, unlike management in general, is a continuous process that has a specific end result that is limited in time and finance and is the key differentiator of project management from management. There are many project management programs and tools available; however, social entrepreneurs are unaware of or reluctant to implement them. It is estimated that there are altogether approximately 300 management tools available in the world (Rudder, 2022). One of such tools is project management stakeholder matrix.

The aim of the paper is to determine the awareness of the project management stakeholder matrix in social enterprises in Latvia. To achieve this aim, the following steps are determined: to provide a theoretical explanation of project management in the context of social entrepreneurship and empirically obtained information to identify the awareness about project management stakeholder matrix in social enterprises in Latvia. The paper employed quantitative research - surveying social enterprise project managers in Latvia. One of the tools that helps improve social entrepreneurs project management and achieve project goals is a stakeholder analysis of the project. The knowledge about the project management stakeholder matrix helps social entrepreneurs to increase the security to deal with low use of digital tools capacity in the team and allows better management of the project team.

Key words: project management, social enterprise, social entrepreneurship, project management tools.

JEL code: L32, O22

Introduction

Social entrepreneurship has evolved as a research domain of great significance for organizations and researchers. Several issues such as poverty and human welfare have motivated various organizations to conduct business with an embedded social drive (Gupta et al., 2020).

Social entrepreneurship brings social change, and social entrepreneurs do not expect direct financial benefit from their clients. Persons involved in the entrepreneurship have a social function, they have a mission to create social value rather than generate private income. Economic value created by an entrepreneurial venture cannot be easily separated from the social benefits, as social and commercial activities unite and become intertwined in the "real typical" center of the continuum. Moreover, as defined within the larger system, entrepreneurship, opportunity, and philanthropy generate a sustainable cycle for social as well as economic, institutional development. Social enterprises merge the pursuit of public social goods with the market-aligned tools and techniques of for-profit organisations. Thus, social enterprises essentially function at the boundaries of the traditional philosophies of those organisations (Gupta et al., 2020).

Due to lack of resources, including human resources, administrative capacity and funding social enterprise managers often act as social project managers in Latvia. In accordance with the latest data on social entrepreneurship in Latvia, almost half of social companies are small companies - 44% of social companies employ two or more up to five employees (Informative report on..., 2022). Therefore, project managers of social enterprises need more than just knowledge of the project management in its classical sense and the skills to apply it in practice, but must also consider the unique features that are most often characteristic of social enterprise projects - creating social change or helping certain groups of society while being able to follow targeted project management methods and steps.

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"Public policy center PROVIDUS" and "Civil Alliance of Latvia" association in the study "Latvia on the road to social entrepreneurship" concluded that the biggest development challenges of Latvian social entrepreneurs are that social entrepreneurs have an idea and a social problem they want to solve, but they have insufficient management skills and business thinking (Lesinska et al., 2012), which can be attributed not only to social business management, but also to social enterprise project management. As a support and assistant for the management of social enterprise projects, various tools can be used like - Google Drive/Docs, Goal Tree, Problem tree, Stakeholder Map, Gant chart, information platforms, project management stakeholder matrix etc. International standard providing guidance on social responsibility (ISO 26000) defines a stakeholder as "an individual or group interested in any decision or in action" (What are stakeholders..., 2022). University of Virginia professor F. E. Freeman, who is considered the founder of the theory of the parties involved, expresses opinion that businesses and projects can only be considered successful if they deliver value to their stakeholders (Wright, 2022), and the company or project have the opportunity to create a long-term value only by considering the needs of all parties involved (Gregg, 2021). There are several methods of stakeholder analysis and visualization of the results, but the basis is to know identify and knowing the involved parties, which is also called a map or grid of the stakeholder parties involved, with different interpretations of it. Therefore, the paper states that embedding the stakeholder matrix in the social enterprise projects management of Latvian would help plan the progress of the project and predict its success points and potential failure, as well as improve social enterprise project management in general.

The aim of the paper is to determine the awareness of the project management stakeholder matrix in social enterprises in Latvia. To achieve this aim, the following steps are determined: to provide a theoretical explanation of project management in the context of social entrepreneurship and empirically obtained information to identify the awareness about project management stakeholder matrix in social enterprises in Latvia. For this reason, there are following research questions of the paper.

- How do Latvian social enterprise project managers evaluate the importance of stakeholder matrix in achieving project goals?
- To what extent do social enterprises use the stakeholder matrix in their projects' management?

The paper employed quantitative research - surveying 80 social enterprise project managers in Latvia with the aim to find out the extent to which social enterprise project managers are using stakeholder matrix or other tools available for them and how social enterprise project managers generally evaluate the importance of the stakeholder matrix in achieving project goals.

Research results and discussion

Theoretical discussion on project management role in social enterprises

Project management, unlike management in general is a continuous process and it has a specific final result that is limited in time and finance and distinguishes project management from management. Project management implies processes, methods, skills, knowledge and application of experience to achieve specific project goals in accordance with the project acceptance criteria within agreed parameters (Harned, 2022). A project is a unique, temporary measure that is carried out to achieve the planned objectives that can be defined as an outcome, result or benefit and the project usually is considered successful if it achieves the objectives according to their acceptance criteria within an agreed time frame and budget. Time constraint, cost and quality are basic elements of the project:

- Time: start and end date of the project;

- Costs: how the necessary funds will be obtained and finances managed;
- Quality: how the conformity of results and project management processes will be ensured for the purpose (Harned, 2022).

The quality of the project management and investment in its provision are advantages that provide the achievement of the desired result more likely, ensuring the efficient and most beneficial use of resources as well as meeting the needs of the parties involved in the project. There is not one way or one specific method to manage all projects. Many organizations spend a lot of time making mistakes and adjusting their project management approaches to be most effective for a given project. Changing project needs and goals, new employees and knowledge are just some of the reasons why processes of the project implementation have to be adapted for each project individually. For this reason, a project manager needs a wide range of skills; often technical skills and certainly people management skills and good business acumen. It is important to follow the basic project management framework and steps that anyone should follow in project management. When researching sources for project management, most project management activities are organized in basic phases, with different names, tasks and results.

To successfully implement a social enterprise project and make it sustainable, it is essential to combine the efficiency of business sector projects with social entrepreneurship values (Pierce, 2019). And both paradigms - social and business - must be able to interact in one organizational unit, which can lead to different management challenges such as:

- in matters related to human resource management, for example, whether to choose more effective employees with experience in social enterprise projects or professionals with experience in commercial projects;
- how to define and evaluate the success of the social enterprise project - the social goal achievement is usually assessed using qualitative measures, which often makes it difficult to measure and compare achievements;
- the unique pressure faced by social enterprise projects - social purpose and business identity can be a source of conflict and even lead to competition between employees, especially when there are differences of opinion about the business importance in relation to social goals (Yaari et al., 2020).

These unique challenges could be overcome following 4 principles of social projects in business management:

- precise definition of social enterprise project goals;
- business defining goals;
- structuring activities that contribute to the achievement of these goals and selection of appropriate personnel and promotion of socialization processes of new employees, through training, pay;
- creating informal interactions between different employee profiles (Battilana, 2018).

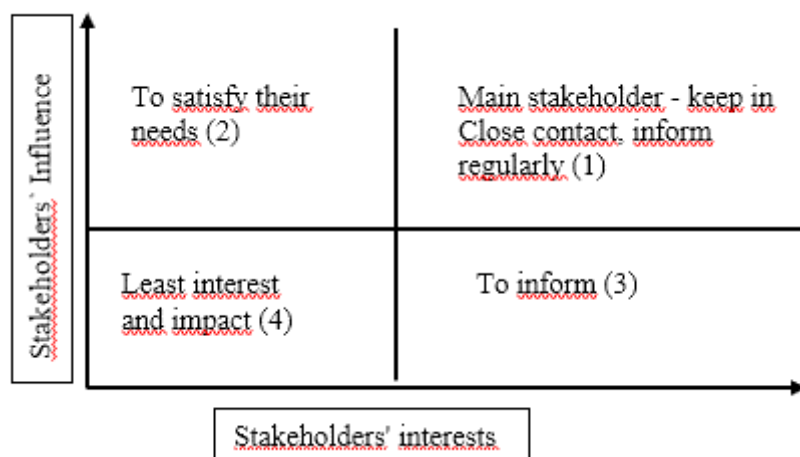
Creating a social enterprise or managing a social enterprise project is often an activity motivated by a specific person – a social entrepreneur - and centered on a social entrepreneur, his or her enthusiasm and initiative. There are few available studies in the sources that have been examined within the framework of the paper discussing which management style would be the most suitable for a social enterprise projects manager and would help overcome the challenges of social enterprise projects more successfully. For example, a project manager who is motivated and enthusiastic about formulating a project idea does not always appropriately manage the project in a way that is effective both in the short term and in the long term; therefore, social enterprise project management requires creative and innovative management

models and leadership styles characterized by understanding and competence in both areas – social and business (Yaari et al., 2020). Only relatively recent project management research has broadened its perspective, starting to look and analyze social impact-oriented projects in more detail; however, research in this area is still in its infancy, thus there is little empirical data on social enterprise project management. Running social enterprise projects requires experimentation; society must be involved as co-creators of the project and must be able to turn ideas into practice - participation is very important not only to share information about the project, but also to create social relationships between project team members and project stakeholders. Project managers of social enterprises also need to change their role from specific tasks leading to interaction and collaborative management (Constantinides, 2011).

Social enterprise project management requires a unique set of knowledge and skills in order to be able to effectively combine the achievement of social goals and quality of the project management-oriented activities within the project. It requires integrating appropriate stakeholders and proper analysis of them, starting with creating a list of stakeholders and proper analysis at a later stage. It is recommended to include the maximum of all possible stakeholders; this should primarily be done at the beginning of the project, but it is an ongoing process that should also be done during the project, because the parties involved in the project may change their priorities or opinion.

Each stakeholders' analysis is a snapshot of a particular point project timeline and by regularly repeating the analysis it is possible to see how the team (content) of the involved parties develops over time - who are the main parties involved; how do the needs of different parties are changed and also the relationship among them (Smith, 2020). The stakeholder matrix is one of the most frequently discussed analysis tool used to analyze project stakeholders and their priority to identify the activities that are necessary to align their goals.

A stakeholder matrix is a graphical version of stakeholder analysis and includes plotting stakeholders on the X and Y axis using two intersecting variables. The matrix lists each stakeholder in one of the quadrants of the four categories. Stakeholder analysis uses different X and Y axis definitions, depending on the purpose and content of the project (What Is ..., 2021). Commonly used X and Y axes that include the set of variables and show interests and impact of stakeholders on the project. (Fig. 1)



Source: Rozniece A., 2023

Fig. 1. Influence of the Impacts - Interests matrix

As can be seen in the Figure 1, in the Impacts-Interests matrix of the involved parties, it is necessary to identify stakeholders in the stakeholder listing phase by impact on the project in the 4 quadrants and plan stakeholder management accordingly and involving:

- which of the engaged parties can both help and hinder the achievement of the goal, and is really interested in the outcome of the project. They need to be most involved, and if this party can interfere with the achievement of the goal, the risks should be recognized and actions planned to prevent them in time;
- which stakeholders can help or hinder the achievement of the goal, but do not have an interest in the results of the project. It should be recognised that this person or organization needs are met, but too much effort may not be invested in informing;
- which stakeholders cannot help and cannot hinder, but are interested in achieving the project results. Because there is an interest, there is a need to inform them but not invest too much effort in informing these parties and in creating cooperation;
- which involved parties cannot help and cannot hinder, and are not interested in a results of the project - this stakeholder should be kept in mind, but invest a lot of effort in the creating of relationships is not priority (Handbook of social effects ..., 2022).

Latvian Social Entrepreneurship association has developed the Manual of nine practical tools for social entrepreneurs to analyze stakeholders and for effective planning of their social impact. The Manual distinguishes 9 methods that can be used to identify the range of stakeholders: problem tree, solution tree, stakeholder map, user experience research, theory of change, list of impact indicators, list of research methods, social impact management plan and organizations model canvas.

Overall, the stakeholder matrix is a simple tool that can make the involved stakeholder analysis easier to understand; the use of stakeholder matrix in project management has several advantages.

- The matrix visualizes the most important criterion of the main stakeholders for the project and such a visual aid can be a useful stopping point for the project management team to manage the project.
- It allows to structure the stakeholders involved using only a few variables and thus using the matrix is easy - although only two are used in the matrix variables, the quadrants and spacing of the parties involved can be adjusted between coordinates - this also allows to get a more accurate and customizable side representation without adding additional notes to the stakeholders involved.
- Creating a matrix requires minimal time and effort through various computer programs or online applications. (What Is ..., 2021).

Whatever the way and techniques of analysis and reflection of the parties involved is selected - in the form of a matrix or a table; created on the computer using standard document tools, online or in special programs, or drawn by hand, its purpose does not change - it is an analysis of priority stakeholders based on the needs of a specific project and criteria. Conducting stakeholder analysis is a way to ensure high quality project implementation and is often included in the company's quality management plans as one of quality requirements and standards that companies should use in project management to evaluate the quality of the results according to the documented requirements and demonstrate how the project shows this quality compliance (Taurina, 2010).

Empirical considerations of project management role in social enterprises

The paper employed quantitative research - surveying 80 social enterprise project managers in Latvia with the aim to find out how social enterprise project managers generally evaluate the importance of the stakeholder matrix in achieving project goals. An invitation to fill an online questionnaire was sent to 174 social enterprises. According to the register of social enterprises of Latvia, as of 10.11.2022, there are 217 active social enterprises in Latvia. Analyzing the social enterprises available in the register contact

information, it was concluded that the general set - 217 should be reduced by at least 22 companies that cannot be reached using the specified contact information by e-mail. Accordingly, 195 companies are considered as the size of the general population in the analysis below. The invitation to fill the online questionnaire was sent out three times – on 07.11.2022, 14.11.2022 and 17.11.2022. Sending three times increased the chances of participating in the survey for a larger number of respondents; after the first and second mailings, respondents who had not completed the questionnaire were additionally contacted by phone to further increase the surveys reachability. As a result, 80 completed questionnaires were obtained. The number of respondents obtained in the survey, which is 41% of the general group, is sufficient for drawing conclusions with a certain margin of error.

As research data shows, there is a statistically significant difference in the use of project management tools between those project managers who use the Stakeholder matrix and others. As research data shows, only 10 of 80 project managers use the stakeholder matrix in their professional activities; most of those who use the Stakeholder matrix more often use the project management tools in general. Thereby one aspect that was confirmed by the research and that needs to be addressed is that large number of project managers do not use the project management tools – despite their positive attitude towards them.

Table 1

The relationship between the use of the stakeholder matrix and the use of project management tools

Name of tool	Chi-square value	p value
Google Drive/Docs	3.83	.429
Goal Tree	27.37	.000
Problem Tree	36.71	.000
Involvement Matrix	80.00	.000
Stakeholder Map	35.46	.000
Online meeting tools (Zoom, Google, Meet)	11.71	.019
Online blackboards (Miro)	10.71	.030
Specialized programs (Zoho, Asana)	23.05	.000

Source: Rozniece A., 2023

The most significant differences in the use of project management tools are in the use of Goal tree, Problem tree, Involvement Matrix and Stakeholder Map – these are used mainly by those project managers who use Stakeholder matrix.

Survey data of social enterprise project managers show that knowledge of the Stakeholder matrix is weak - 71% (57 respondents) of project managers of social enterprises have just heard about it for the first time and only 23 of 80 have heard about or know about it. The knowledge of the Stakeholder matrix is significantly related to the use of other tools – goal tree, problem tree and stakeholder road map, meeting tools, online boards, specialized programs; paid seminars, specific project using management websites and blogs to obtain information about project management tools. It was important to discover an awareness of stakeholder knowledge matrix with comparison of frequency of use of other tools.

Table 2

Awareness of the knowledge on the Stakeholder matrix with the frequency of use of different tools

		Knowledge of stakeholder matrix	
		Heard it for the first time	Knows, has heard
		Number of responses	Number of responses
Goal Tree	Once a month	2	1
	Rare	3	6
	Never	52	16
Problem Tree	Once a month	2	2
	Rare	4	8
	Never	51	13
Involvement matrix	Once a month	0	1
	Once a month	1	1
	Rare	2	5
	Never	54	16
Stakeholder matrix	Once a month	2	0
	Rare	3	5
	Never	52	18

Source: Rozniece A., 2023

As research data shows, project management stakeholder analysis tools are used very passively, even among project managers who have knowledge on this tool. The situation is alarming, because most of the surveyed project managers have never used stakeholder analysis tools.

Based on research data, those social enterprise project managers who know the stakeholder matrix, have obtained the information about it from project management tools websites.

Research data shows that knowledge of the stakeholder matrix improves social enterprises project manager's safety in dealing with employee motivation, low digital capacity to use tools in the team, as well as with the low risk tolerance in the project. Overall knowledge about the stakeholder matrix provides wider possibilities for the project management team itself as well as motivates those employees for whom social projects are very important - through this benefit, the added value of the stakeholder matrix can be explained in the implementation of the projects. The knowledge of the stakeholder matrix increases security in dealing with low capacity in use of digital tools by the team as well as low risk tolerance in the project in general.

Therefore, it was important to determine how social enterprise project managers generally evaluate the importance of the stakeholder matrix in achieving project goals.

Table 3

The role of knowledge about the Stakeholder Matrix in the evaluation of various attitudinal issues

Statements	Chi-square value	p value
Project management tools you are using improve the quality of the project.	3.71	.446
There are benefits of using project management tools in the project.	4.51	.341
It is important during the project to identify all the needs of involved stakeholders.	6.57	0.37
It is important during the project to implement all the needs of involved stakeholders.	3.60	.308
It is important that organization has its own guidelines for working with stakeholders within projects.	0.01	.994
It is important for social entrepreneurs that Latvian Social Entrepreneurship Association provide educational content.	1.76	.414
It would be interesting to visit Latvian Social Entrepreneurship Association if they form an educational workshop on project management tools.	2.92	.405
It is important to get updates of news provided by Latvian Social Entrepreneurship Association.	8.93	.258

Source: Rozniece A., 2023

Because the p-value in none of the statements shows statistically significant differences (not less than 0.05) between those project managers who have knowledge on the Stakeholder matrix and those who do not, there is a reason to conclude that there are no statistically significant differences between these target groups in terms of attitudinal statements.

The study concluded that the knowledge of the Stakeholder matrix is related to the one of the education level indicators - attending courses and obtaining independent information about project management from specific project management tool websites, as well as the level of formal education.

Conclusions, proposals, recommendations

- 1) According to social entrepreneurship sector experts in the sources examined within the scope of the work, in publications and studies, in the development of Latvian social entrepreneurs, the challenge is the lack of knowledge and skills of social entrepreneurs in business, in company management and financial management, which to some extent also covers social enterprise project management.
- 2) In 2020, 44% of social enterprises in Latvia employed between two and five employees, therefore, almost half of social enterprises in Latvia are small and often the manager of a social enterprise is also the manager of the projects implemented by the social enterprise - at the same time, he thinks about achieving the goals of the project and takes care of the team and finance, and solves the day-to-day problems of the company, which create obstacles to equally qualitatively manage the project in all stages of its implementation.
- 3) Although social enterprise projects have unique characteristics, but fundamentally, the nature of social enterprise projects is no different from any project management.
- 4) A specific goal, time and financial constraints, and project management are each basic elements of the project. One of the tools that help improve project management and achieve project goals is a stakeholder analysis of the project. The essence of stakeholder theory states that projects can achieve success only if they consider and provide value to the parties that are involved.
- 5) The conducted research allows us to conclude that as the knowledge about the matrix of the parties involved increases, social entrepreneurs increase the security in dealing with low use of digital tools

capacity in the team as well as low risk tolerance in the project. In general, knowledge alone about the stakeholder matrix allows better management of the project team itself.

6) Likewise, based on the research conducted, it can be concluded that respondents consider it important to identify all the needs of involved stakeholders during the project. Overall stakeholder matrix can be beneficial and improve the quality of project management.

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