

Upward Influence to Overcome Hierarchical Authority Expectations: A New Approach for Stakeholder Management

Yang Fan¹ and Vittal Anantatmula²

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Abstract: *Critical to project success is effective stakeholder management. This paper presents a challenge for the project manager who uses traditional approaches to manage mid-level stakeholders in an organization. Dual roles of a mid-level stakeholder (as a stakeholder of a project and as an agent of the corporate) may cause problems that would result in difficulties for project managers in identifying the stakeholder's attributes and overcoming hierarchical authority expectation. However, the dual roles of the stakeholder result in its weakness in the project-stakeholder relationship. Can a project leverage its strategic role for effective upward influence by linking project objectives to corporate strategic objectives? To address this research question, case study method was used to gain a deeper understanding of mid-level stakeholder's salience. This research proposes an upward influence strategy to embed a project-stakeholder relationship in a hierarchical stakeholder network.*

Keywords: *upward influence strategy, mid-level stakeholder, stakeholder network, corporate strategy*

I. INTRODUCTION

Many projects fail because stakeholders do not continue to support the vision or objectives of the project [38], or because project team fails to recognize the power position of key stakeholders and consequently, the team fails in making appropriate changes in stakeholder management activities [3, 43]. Effective stakeholder management is a critical success factor as it increases the project manager's ability to identify opportunities and problems during the initial stages of a project [24].

PMBOK [37] emphasizes the importance of developing a strategy that defines an approach to minimize negative impact and maximize stakeholder support. It is essential to understand needs and expectations of stakeholders and address them during the initial planning phase of a project [39].

With the increased complexity of project environment multi-level organizational structures, and involvement of greater number of stakeholders, project managers find it hard to manage mid-level stakeholders who pursue their own interests at the expense of the corporate strategic objectives [24]. To ensure project success, interests and powers of a wide array of stakeholders need to be considered in the managerial decision-making [1]. However, past studies on stakeholder management focused on the interactions between the project and its key stakeholders without considering the impact of a stakeholder network. Understanding the power position of key stakeholders in a stakeholder network to influence behaviors of the mid-level stakeholder is the focus of this research.

This paper applies stakeholder theory and agency theory to analyze stakeholder network and interactions among stakeholders.

Further, Shrivastava [42] suggests that subordinates direct upward influence towards their immediate superiors to exert intended influence and behaviors [32]. This study accords due importance to proactive upward influence of projects by overcoming hierarchical authority expectations. Based on the assumption that aligning with corporate strategy is the source of position power in an organization, this research proposes that aligning with corporate strategic objectives would lead to support from upper management and strengthen project's power base to influence mid-level stakeholders effectively.

In the following section, the concept of project stakeholder management and the literature regarding upward influence tactics and strategies will be discussed. The research methodology of the study is presented next section and it is followed by case study descriptions, case analysis and results, managerial implication, research limitations and conclusions.

II. LITERATURE REVIEW

Many projects fail because the project manager and the team do not recognize the power or position of the stakeholders and fail to make appropriate adjustments in their stakeholder management activities [3].

¹ Associate Professor, Western Carolina University, Cullowhee, NC, USA. yfan@email.wcu.edu (corresponding author)

² Associate Professor, Western Carolina University, Cullowhee, NC, USA.

Therefore, a key issue in stakeholder management is to identify “who and what really count” [14].

Stakeholder is a person or an organization that is actively involved in the project or whose interests may be positively or negatively affected by execution or completion of the project [37]. Bourne [3] defines stakeholders as individuals or groups who have an interest or some aspect of rights or ownership in the project, and can contribute to, or be impacted by, the outcomes of the project.

Winch [45] categorizes stakeholders as those who promote the project and those who oppose it. Those who oppose the project are labeled as negative stakeholders. According to Winch and Bonke [44], stakeholders can be classified as internal and external. Internal stakeholders are the ones who are formally members of the project coalition and hence usually support the project; they are also referred to as primary stakeholders [6] or business actors [7]. External stakeholders are not formal members of the project coalition, but may affect or are affected by the project.

This paper focuses on key stakeholders who have the organizational authority to allocate resources (people, money, services) for the project. In other words, the focus is on internal stakeholders.

Mitchell [31] derives a typology of stakeholders based on their salience, which are:

- Attributes of power (the extent a party has means to impose its will in a relationship)
- Legitimacy of project-stakeholder relationship (socially accepted and expected structures or behaviors), and
- Urgency (time sensitivity or criticality of the stakeholder's claims).

By identifying stakeholder salience, a project management team can have a better understanding of stakeholder’s needs and expectations to determine the degree to which a project management team should pay attention to and give priority to competing stakeholder claims and needs.

However, acknowledging stakeholders’ expectations and adapting to their needs is one thing; proactively influencing stakeholders’ behavior is another thing,

particularly when an internal negative stakeholder intends to reduce project’s autonomy and increase the uncertainty to project performance. Therefore it is important for project team to overcome hierarchical authority expectations by exerting upward influence [18, 25, 29, 28].

In the context of stakeholder management, it is relevant to recognize the role and importance of stakeholder as an agent. Agency theory deals with the ubiquitous relationship in which one party (the principal) delegates work to another (the agent) who performs that work [12]. Eisenhardt [12] points out that an agency problem arises when the desires or goals of the principal and agent conflict with each other and it is difficult or expensive for the principal to monitor and control the agent’s behavior.

Agency theory is specifically relevant to mid-level stakeholder in stakeholder management due to its dual roles in the hierarchy (as a stakeholder of a project and as an agent of the senior management). This situation causes complexity for a project team to identify the salience of the mid-level stakeholder and influence its behavior effectively. Many strategies and tactics exist to exercise upward influence; Table-1 presents following strategies and tactics:

- Communication
- Resource control
- Developing structural independence and strategic differentiation

These strategies or tactics help influence decision making of stakeholders. However, since stakeholder-project relationships do not occur in a vacuum of dyadic ties, but rather in a network of influences [39], some of the above tactics involve a third party for stakeholder management. Freeman and Evan [15] reported practices of a series of multilateral contracts to manage stakeholders. Hill [21] argued that increased management power over one group of stakeholders might be limited by the constraints imposed by other stakeholder groups. Therefore, it is important to consider attributes of a stakeholder network such as corporate strategic objectives, and divergent economic interests of stakeholders, in determining relations between projects and stakeholders.

TABLE I
TACTICS AND STRATEGIES OF UPWARD INFLUENCE

1. Communication	2. Developing control of resources to increase project powers		3. Use structural independence and strategic differentiation	
Communication plan should be developed to ensure that the expectations of key stakeholders are understood, acknowledged, and managed [3]	2.1. Developing control of resources to reduce dependencies on certain stakeholders [36]	2.2. Diffuse stakeholder's control by diversifying dependencies [21, 22]	3.1. Project's structural independence allows the project to use its physical segregation to achieve autonomy	3.2. Strategic differentiation may increase autonomy of project
Rational presentation of ideas and informal exchanges [29]	Developing a strong market position [11]	The concentration of stakeholder power can be reduced by strategies designed to diffuse the control over critical	Structural independence including independent facilities, internal functional areas, separate information	Strategic differentiation of project in terms of products, markets, suppliers, and technology will increase project's autonomy to fit its uncertain and complex environment [35, 18, 33]
Managing stakeholders through restricting the flow of information [29]	Developing management, technological skills, marketing			

	knowledge and innovative ideas [9]	resources [21, 22]	systems and remote physical location, which reduces the project's dependency upon the stakeholders for resources and, thus, provides the stakeholders with less power over the project [35]	Many organizations have embraced that concept of projects as a mechanism of integrative learning, knowledge transferring and change delivering, which provides project an opportunity to seek higher autonomy as a change deliverer [3, 34, 30]
Upward appeal, threats, manipulation [29]; Persistence or assertiveness [32, 41, 42]	Mergers and acquisitions, and co-operative agreements with other firms [35], coalition [13]	Project should develop alternative sources of supply by developing longer-term relationships with multiple stakeholders [22]		
Multi-stakeholder dialogues [120]	Project management may be better positioned to gain power differentials [21]			

It is also important to recognize the critical role of corporate strategies and corporate executives in reconciling divergent interests of various stakeholders by making strategic decisions and allocating strategic resources among the stakeholders and projects [21].

Simultaneously, the executives need to consider the increasingly important role of projects in corporate strategies. Many organizations have considered projects more as an effective strategic learner from environment and a strategic change deliverer [34], but can a project leverage its strategic role for upward influence by linking to corporate strategic objectives? How can a holistic view of stakeholder network be used by a project to influence stakeholder's behavior? In this research, this research will strive to answer those questions by using case descriptions to illustrate various actions projects engaged to strengthen powers and advance their interests within a stakeholder network. The case study is mainly presented by a joint-venture (JV) project executed by two international oil companies.

III. RESEARCH METHOD

This section describes reasons for choosing case study method and for collecting and analyzing the data to address the above research questions.

A. Research Method

The traditional case study method of joint-venture (JV) project was selected for two main reasons. First, case studies enable us to gain a deeper understanding of project setting and close to the real-life context [10], such as the context of national culture and corporate culture. This real-world context is important to understand group dynamics and stakeholder management activities to facilitate recovery and to preserve actual intentions and meanings that actors ascribe to those actions and settings [17]. Second, case studies are useful when relationships between variables, such as strategic differentiation, discretionary control and power base development, have not been empirically studied to a great extent and are likely to be complex.

Further, upward influence is associated with high level of complexity because it is often required to have involvement of multiple groups that have varying interests. It may relate to the effect of time lags on variables, which are more likely to be revealed in

longitudinal case studies.

While a case study method is appropriate for this exploratory research, it may also add certain limitations. To minimize these limitations, multiple events were used to compare the results; specifically with reference to different upward influence tactics keeping all the other conditions same. Further, different information channels were used to collect data to make sure that the data is verified. In certain instances, the interviewees were randomly chosen; and everyone who was interviewed for the case study was informed about the purpose of the study.

B. Case Selection

The JV project under study was a mutually agreed entity between two oil companies: a Chinese state-owned company referred to as CHINOIL and a Middle East based oil company, which is referred to as MIDOIL. In this paper, the JV project is labeled as CM. The business goal of CM was to explore, appraise, and develop non-associated gas reservoirs and natural gas in the Middle East region.

CM was formed in 2004 with MIDOIL holding a 20% of participation interest and CHINOIL holding the remaining 80%. Officially CM is a stand-alone entity separated from its parent company as per the Shareholder Agreement between CHINOIL and MIDEOIL. CM Board was authorized to govern CM on behalf of the shareholders and the host country government.

C. Data Collection

This research relied on three primary data sources: informal discussions and interviews with the CM stakeholders, archived data, and finally, the first-hand knowledge of one of the authors of this paper.

The archival data included emails, minutes of the board meetings, internal reports, official agreements, and documented communications between CM and its parent organizations. In addition, contracts and other supplementary written agreements were examined to develop question for the interviews and to corroborate their responses.

The corresponding author was the contracting manager of CM from 2004 to 2008 and thus had first-hand and in-depth knowledge of CM including structures and controls, and project performance data of the parent company.

D. Data Analysis Method

The in-depth case analysis was focused on the research question: How can a project accomplish upward influence on certain stakeholder's behaviors by linking to corporate strategic objectives?

The research started with identifying CHINOIL organizational structure, power construct, and major players. Then the efforts were made to identify negative impacts of a mid-level stakeholder from CHINOIL with specific reference to restriction of the autonomy of the project. Then the efficacy of a stakeholder management strategy to strengthen the project's power base was analyzed.

Employing the notion that insights about upward influence can be emerged through multiple events analysis and comparison [40], an iterative process was used to refine the findings, relate them to existing theories, and to clarify the contributions of this research [40].

IV. RESULTS AND ANALYSIS

A. Poor project performance as a result of interference of regional divisions

CHINOIL, a typical transitional Chinese state-owned enterprise (SOE) was formed in 2001 and is based in Beijing, China. It has employed matrix organization structure and is engaged in overseas oil and gas exploration and production operations via its 43 overseas projects. The nature of these projects differs widely; they range from oil/gas exploratory projects to production projects. Remote geographical locations of those projects created difficulties for projects to access to various resources. It also reduced the effective support and responsiveness of CHINOIL headquarters to various project contingencies.

Structural independence of projects such as independent facilities, internal functional areas, and separate information systems reduced dependency of projects on the headquarters for resources and consequently, reduced the interference and power of headquarters with respect to projects [35]. The headquarters was concerned that weak intra-corporate links and high external dependence would result in potential uncertainties and risks. There were also concerns about agency problems and divergent interests between projects and CHINOIL headquarters.

Therefore in 2007, CHINOIL initiated a "go-frontier" strategy by forming four regional divisions around the world to overcome geographical barriers in exercising direct control over the overseas projects. All the technical and operational powers were re-assigned to the regional divisions.

This case study focus on the Regional Division in Dubai (the Division), which was responsible for five projects including CM, in the Middle East and North Africa. Most of interactions in this study occurred among three players, which were CM, the Division and CHINOIL.

The idea of establishing regional divisions and power adjustment were successful in terms of pooling resources to support projects under the purview of the divisions. According to the Exploration Manager of CM, the Division was able to provide swift and wider range of technical support than before. However, the interference of the divisions reduced autonomy for the project and created difficulties for project execution due to ambiguity regarding the role of the Division.

According to archived data from CHINOIL executive meetings, ambiguity still existed over the role of the Division six months after it was set in place; the debate among the top management of CHINOIL was whether the Division was to provide technical support on projects' requests, make operational decisions for projects, or both.

From the inception, the Division defined itself as an exclusive all-purpose decision-maker for all the projects in the region without acknowledging contingencies of those projects. The Division made it mandatory that all the operational decisions were subject to its approval, but in fact, such an instruction had violated CM's existing Delegation of Authority (DOA) and Shareholder Agreement, which bestowed full authority to the board of CM.

In accordance with this requirement of the Division, CM requested for approval of releasing its third drilling rig in April 2007 by submitting a detailed report along with an operational plan and a cost-benefit analysis. The Division did not give any feedback till August 2007, thereby delaying relevant operations, incurring additional costs, and causing a dispute with a contractor. The Division delayed the decision as did not acknowledge the existence of CM's agreements with other stakeholders, which stipulated completion of operations within a specific period.

The above instance underlines the fact that the Division was exercising its authority without complete understanding the CM's independent governance system as a joint venture. It also serves as an example of the Division's interference that would impede project performance. It is obvious that the Division was acting as a negative stakeholder to the project. Obviously there was need for the CM to develop an upward influence to restore its power base.

Initially CM adopted a traditional approach to expedite the Division's decision process by complaining about diminishing CM's autonomy, and utilizing external stakeholders as a support to influence its immediate boss, but the efforts were futile under a paternal corporate culture of Chinese organizations [4].

Lockett [27] identified four features in Chinese culture that are associated with its organizations: (1) respect for hierarchy; (2) face; (3) the importance of relationship; and (4) group orientation. In this case, respect for hierarchy makes a clear distinction between the Division and the CM. Chinese employees working in CM did not dare to jeopardize their career by challenging the will of the Division because such direct challenge will make the boss lose "face". Another characteristic of Chinese culture is to avoid direct conflict [16], which implies that

the CM needs to keep “harmony” relationship with the Division.

CM’s experiences suggest that in a multi-level hierarchy, particularly under a “high power distance” cultural context, projects need more support from top management to “influence” its immediate superiors effectively.

B. Recognition of CHINOIL’s transitional strategy and trend

Having learnt from above case, the CM management team believed that it was important to understand corporate strategic objectives to win the support from top management, specifically its transitional strategies associated with structural changes of the organization.

Like CHINOIL, many state-owned enterprises (SOE) of China do not have established bureaucratic order and often, management practices are informal and dynamic [26]. And these practices are built upon interpersonal relationships of those who manage them [2]. According to Lin [26], Chinese SOE’s strategic objective is economic rationality and managerial efficiency, which could be accomplished by developing and enforcing rules and formalizing governance systems of modern enterprises through a transitional process [5].

CHINOIL had been frequently adjusting its organizational structure to its operational context under the new and increasingly stronger pressure to perform. According to the CHINOIL’s transitional strategies, overseas projects can play an important role in corporate transition by fulfilling the following strategic functions:

- Learning advanced managerial and technical knowledge from international partners,
- Performing pilot test of modern governance systems to meet international standards, and
- Understanding and adapting to local legal and cultural environments of various regions

One of CM’s strategic roles was to act as a pilot to experiment modern enterprise management system and structure for CHINOIL, which may give CM an advantageous position to manage mid-level stakeholder more effectively.

C. Strengthen project power in upward influence by aligning with CHINOIL’s strategy

At the end of 2007, the Division instructed all the projects to submit their annual procurement plans for approval. The intent was to take over procurement function from all the projects in order to promote related party transactions at favorable conditions. Obviously this move would threaten the CM’s interests, power and reputation.

Having acknowledged strategic roles of project’s structural independence as a joint venture in promoting CHINOIL’s transitional objectives, CM broke down the Division’s initiative in procurement areas to verify how it

was opposite to CHINOIL’s strategic objectives. The comparison is presented in below Table-2.

TABLE II
COMPARISON BETWEEN CM AND THE DIVISION - THE EXTENT OF ALIGNMENT WITH CORPORATE STRATEGIC OBJECTIVES

CHINOIL’s transitional strategic objectives	CM’s existing governance system in line with CHINOIL’s strategic objectives	The extent of Division’s strategic differentiation from CHINOIL
Promotion of enforcing rules and formalizing governance systems	Formalized governance system based on fundamental agreements, policies and procedures: 1. Upstream Agreement between CHINOIL and host country government, committing to local products/service purchasing 2. Clause 17.1. of Shareholder Agreement between CHINOIL and MIDEOIL with emphasis on “arm length” principle in procurement areas. 3. Delegation of Authority (DOA) approved by the Board in 2005	Resist formalized governance system by way of discretionary controls over CM 1. Ignoring CHINOIL’s commitment to host country government on local products/services purchasing 2. Violating the “arm length” principle and intervening in CM’s procurement activities. 3. Violation of DOA.
Encouraging innovation and adoption of modern management methodologies	Construction of a check-balance system to implement Contracting and Procurement Policies and Procedures (CPP&P)	Damage the check-balance system by intervening in procurement activities.
Building close relationship with partners and adapting to local culture	1. Cooperate with local employees to execute project in line with approved policies and procedures 2. Fulfill commitments to host country and partners to build trust.	Ignore project contingencies and damage relationship between CHINOIL and strategic partners

Obviously the Division’s “go-frontier” move had poor response to the contingencies presented by the project environments, particularly such move failed to be in line with CHINOIL’s strategic objectives in the following two aspects.

First, according to the Shareholder Agreement, the full authority of approving procurement plan was with the CM Board, and the authority of approving procurement method, bid slate and proposed contract awards within approved budget was delegated to the CEO of CM in 2006. Obviously the Division’s instruction led to ignorance of project’s contingencies and violation of all those agreements and policies. Specifically, the violation of “arm length” procurement policy stipulated below is an example:

All contracting and purchasing activities of the CM with or for the benefit of any shareholder or any affiliate of a shareholder (a "Related Party Transaction") shall be conducted on an arm's-length basis. Any such Related Party Transaction entered into by the Company must be on terms that are no less favorable to the CM than those that could have been obtained in a comparable arm's-length transaction by the CM with an unrelated third party.

Acknowledging that the "arms-length" principle and CM's joint venture agreements underline CHINOIL strategic objective that emphasizes on building close relationship with partners to develop its international reputation, CM sensed that its power would be in a position to influence the Division's intention by aligning with CHINOIL's strategic objective.

Secondly, CHINOIL encouraged project's learning and innovative capacity in practicing advanced management methodologies. One such initiative was the experiment of the check-balance system in procurement.

CM implemented check-balance system in 2004 to avoid agency problems in procurement activities that were often experienced in many other SOEs. Specifically, the check-balance system was built with management team, tender evaluation team, and contracting and procurement tender committee.

- Management team was responsible for approval of the procurement plan
- Tender evaluation team was responsible to evaluate tender and recommend the award of contract.
- Contracting and procurement tender committee was responsible to review and endorse recommendation of the award of contract.

All the three committees comprised of both Chinese and local employees to break information asymmetry, balance power, and ensure fairness. According to board meeting minutes (2004-2009) and an audit report, 72 contracts at a total value of \$150 million were awarded by CM and no improper activities were found.

Among the overseas projects, CM was the only project chosen for such pilot experiment by CHINOIL. Apparently the Division's intervening in the procurement activities of CM would damage such experiment in implementing the check-balance system.

To convince the importance of CM's "arm-length" policy and check-balance system, CM invited some of Division's managers to attend CM's board meeting in spring 2008 and presented its procurement practices and achievements. Simultaneously, the endorsement of such check-balance system by the CHINOIL internal auditor gave strong support for the legitimacy of CM's autonomy (CM Board minutes, 2008).

After realizing that CM's existing procurement processes were part of the strategic initiatives of CHINOIL, particularly after acknowledging CHINOIL's intention to protect CM's autonomy, the Division chose

to leave CM's original procurement system intact. Further, the Division would not offend the upper management of CHINOIL due to Chinese "long distance power" culture. As per the Division's amendment in 2008, CM was accepted as an autonomous project to possess structural independence and was allowed to continue with its own procurement policies and procedures.

D. Results of upward influence

Following the successful upward influence of CM as an example, other projects in the Middle East referred the issue to CHINOIL and consequently, CHINOIL readjusted power distribution in the hierarchy and removed all the divisions' authority as frontier decision makers in 2009. Subsequently, decision making authority and position power were returned to projects. The divisions were transformed into regional service centers for pooling resources and providing services on request.

To sum up, two events were discussed to compare the efficacy of different upward influence strategies. In the first case CM used a traditional approach for upward influence and as a result, its influence efficacy was not as high as in the second case where CM proactively leveraged corporate strategy to effectively strengthen its position.

V. MANAGERIAL IMPLICATIONS

Multi-level hierarchical organizations add more stakeholders to a project at different levels of hierarchy. Among those stakeholders, there is a constellation of cooperative and competitive interests [8]. Presence of numerous stakeholders compels project managers to rethink how to manage the complexity of such a stakeholder network. Specifically, managing a mid-level stakeholder adds to complexity as a mid-level stakeholder possesses dual roles in the hierarchy. With the authority delegated, mid-level stakeholder establishes power base and exercises control over projects on behalf of the top management. On the other hand, the same authority establishes a principal-agency relationship with upper management [23]. According to Heath and Norman [19], the concern of such principal-agent relationship is that interests of the top management and the agent diverge and may result in strategic differentiation. It allows the mid-level stakeholder to manipulate its powers and exercise discretionary controls over projects without being held accountable for the effect of such expenditures on corporate value [24].

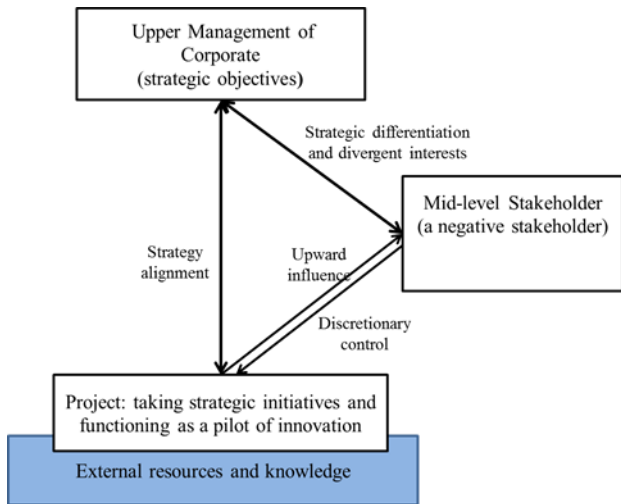


FIGURE I
LEVERAGE STRATEGIC ALIGNMENT WITHIN A STAKEHOLDER NETWORK
FOR EFFECTIVE STAKEHOLDER MANAGEMENT

Under certain cultures with a high power distance, such as CM case with Chinese culture, where project managers can't challenge the will of immediate boss directly, the project managers must be proactive in analyzing the salience of the mid-level stakeholder, its power and position within a stakeholder network, and the legitimacy of project-stakeholder relationship. Such an analysis would help project manager to resolve agency problems, protect project autonomy, and strengthen project's position.

According to Mitchell [31], power is a variable, not a steady state; it can be acquired as well as lost. Based on the stakeholder management strategies identified in CM project case study, this research suggests that the extent of strategic differentiation from CHINOIL played a critical role in determining the power base of a mid-level stakeholder and the project-stakeholder relationship. Greater strategic differentiation of the mid-level stakeholder from the corporate makes it more likely that its power base is reduced and the project-related discretionary controls are removed. Therefore, it is important to understand the extent of strategic differentiation between mid-level stakeholder and top management as it can help to recognize the dynamics of stakeholder salience.

A descriptive model is hereby proposed to present a dynamic project-stakeholder relationship in a hierarchical stakeholder network (Figure-1). This model is presented in a three-way dynamic relationship among project, mid-level stakeholder, and the top management.

By analyzing corporate strategic objectives and the extent to which a mid-level stakeholder follows those strategies (Table-2), a project team can assess the mid-level stakeholder's deviance from corporate strategies to identify its weakness in a project-stakeholder relationship. Targeting such a strategic deviance, the project can ally with the top management by taking strategic initiatives that are in alignment with corporate strategic objectives. In this process, project team uses bureaucratic mechanism proactively to increase its power

base in upward influence. The proactive alignment of corporate strategies with project operations not only improves project's performance but also benefits corporate strategic goals.

VI. CONCLUSION

Past studies suggested the importance of stakeholder network [15, 39]. However, divergent interests and strategic differentiations between those internal stakeholders were not discussed in the context of upward influence and stakeholder management. This paper proposes a theoretical framework to describe the interactions among stakeholders. Agency theory and stakeholder theory were applied to identify the dual role of a mid-level stakeholder and agency problems within a hierarchy. Such dual role often results in weakness of the mid-level stakeholder, which may benefit the project in protecting its autonomy and winning the support from top management in influencing such stakeholder's negative behaviors.

Past research has limited attention to corporate strategy as a critical source in upward influence. The results of this research, instead, show that a project can increase its power base by aligning with corporate strategic objectives and targeting strategic differentiations a mid-level stakeholder might present in order to improve project performance and support corporate strategic goals. In addition, the proposed upward influence tactics fit to the cultures characterized with long power distance.

Further, it is proposed that project managers analyze stakeholder salience – power, position, and its legitimacy – in the context of a stakeholder network to identify its weakness in the project-stakeholder relationship for effective upward influence. By doing so, this research extends the stakeholder salience theory [31] by presenting the dynamics of stakeholder salience.

A limitation of this study is that it was focused on a single organization and a single cultural context. Control variables such as corporate culture, national culture or geographic conditions, may lead to a different conclusions in a different context. Further, upward influence via strategic alignment by project is not common; the findings of this research may be influenced by the fact that three-way dynamics among upper management, mid-level stakeholder and project may not be the case in every organization. In addition, longitudinal study using multiple data sources in a longer time horizon will be of particular value in identifying the ways project influence its immediate superiors. These elements imply that further research in this area is needed.

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