

Sustainable Project Management

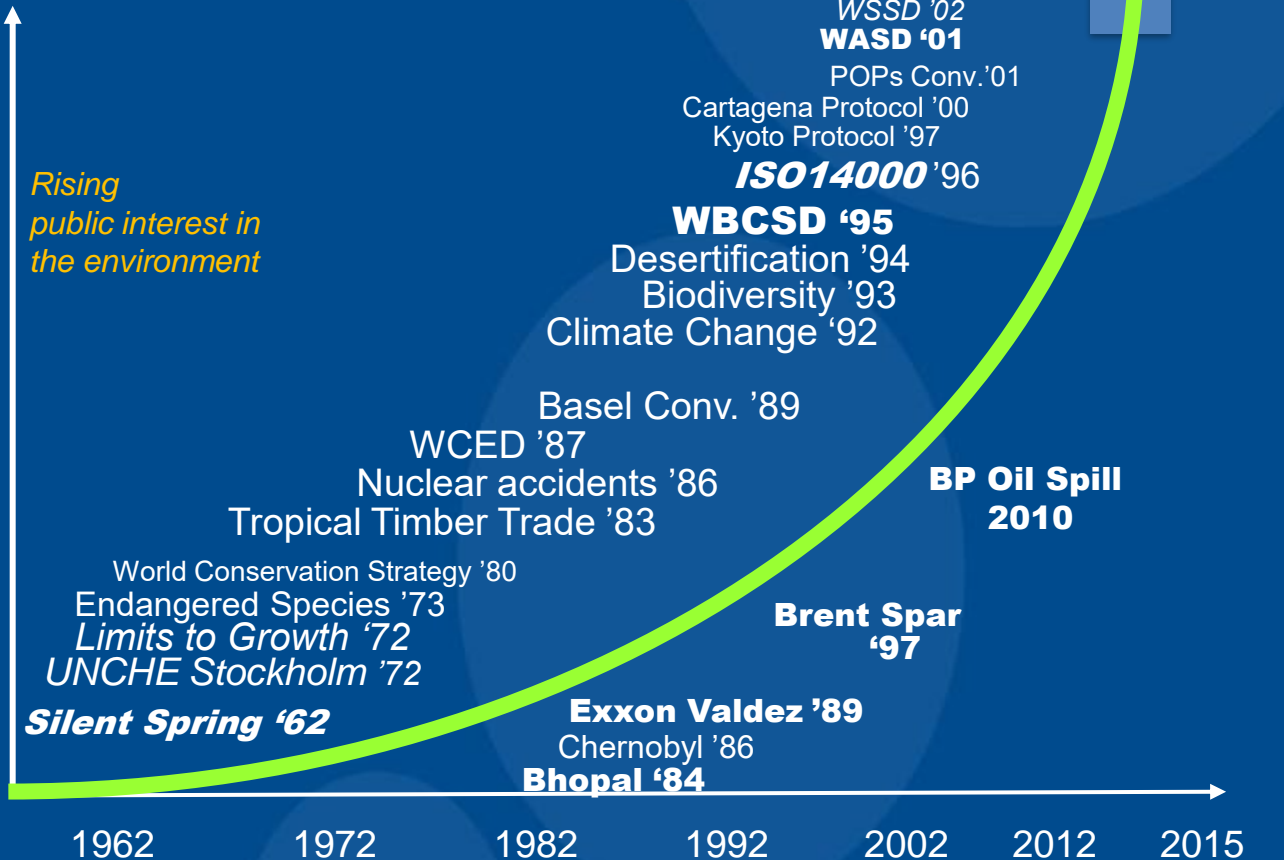
Understand how project practices can support the critical goal of sustainability

Sustainable Development and Sustainability

What is Sustainable Development?

- “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”
The United Nations World Commission on Environment and Development (The Brundtland Commission, 1987)
- Sustainable development promotes economic and social development in ways that avoid environmental degradation, over-exploitation, and pollution.
- Sustainable development involves strategies that aim promoting harmony among human beings and between human and nature (WCED, 1987).

Evolution of Sustainable Development Concept



Sustainability in the Business Context

Corporate Sustainability Defined

- “... meeting the needs of the firm’s direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities etc,) without comprising its ability to meet the needs of future stakeholders as well” (Dyllick & Hockerts, 2002)
- “the ability of a firm to nurture and support growth over time by effectively meeting the expectations of diverse stakeholders” (Neubaum & Zahra, 2006)
- “the ability to ensure economic development is accompanied by progress towards social inclusion and does not take place at the expense of the natural environment” (Benn & Dunphy, 2009)



SUSTAINABILITY IN BUSINESS

Sustainability starts with good intentions

Reconciling business with

- ✓ environmental sustainability
- ✓ social responsibility
- ✓ economic profitability

TRIPLE BOTTOM LINE

- Triple bottom line (TBL) - an evolving corporate management paradigm. Sustainability involves efforts to promote TBL, balancing economic sustainability, social sustainability, and environmental sustainability. (Pinto, 2020)
- The concept acknowledges the need for profitability; however, it differs from the traditional growth and profit-maximization model, in that it places a much greater emphasis on **environmental, social, and economic performance**, and the public reporting on this performance.
- “Genuine progress towards sustainable development will require willingness on the part of business to **be held accountable for its performance across the spectrum of ethical concerns of stakeholders**: economic, ecological and social.” (Sillanpää, 1998)

CHALLENGES OF SUSTAINABLE DEVELOPMENT

Multi-disciplinary approach - we can no longer afford to work in silos

- Quantifying challenges – natural sciences
- Building solutions – technological insights
- Globalisation & consumerism – business, economics
- Ethics & ‘feeling’ the importance - humanities
- Governmentt & legislation – public policy

- *What are the key drivers for business sustainability?*
- *Why should businesses care about sustainability?*

BUSINESS AND SUSTAINABILITY

- Companies seeking to be better corporate citizens
- Executives recognising long-term economic growth is not possible unless that growth is socially & environmentally sustainable
- A competitive advantage can stem from a balance of the triple bottom line
- Growing interest in the development and implementation of sound, proactive sustainability strategies (including stakeholder engagement)

BUSINESS & SUSTIANABILITY

While businesses are directly and indirectly causing many ecological challenges, they are also some of the largest organisations that are well-managed and well-resourced to help solve the problems of today and the future.

Increasing awareness of the general public and activist groups, along with government regulations, means stakeholder relationships are increasingly important.

Stakeholders expect companies to be held accountable

Why do we need to manage environment?

- *Climate change*
- *Energy*
- *Water*
- *Biodiversity and land use*
- *Chemicals, toxins and heavy metals*
- *Air pollution*
- *Waste management*
- *Ozone layer depletion*
- *Oceans and fisheries*
- *Deforestation*
- *Food safety*
- *Radiation*
- *Desertification*

Why should businesses care about social sustainability?

Social sustainability is about identifying and managing business impacts, both positive and negative, on people. (UN Global Compact, 2018)

Social sustainability refers to how an organisation treats its people (employees) and its community. (Collins and Roper, 2015, p.8)

In corporations, social sustainability performance issues include human rights, fair labor practices, living conditions, health, safety, wellness, diversity, equity, work-life balance, empowerment, community engagement, philanthropy, volunteerism, and more.

Ethics	The company establishes, promotes, monitors, and maintains ethical standards and practices in dealings with all of the company stakeholders
Governance	The company establishes, promotes, monitors, and maintains ethical standards and practices in dealings with all of the company stakeholders
Transparency	The company provides timely disclosure of information about its products, services, and activities, thus permitting stakeholders to make informed decisions
Business Relationships	The company engages in fair-trading practices with suppliers, distributors, and partners
Financial Return	The company compensates providers of capital with a competitive return on investment and the protection of company assets
Community Involvement/Economic Development	The company fosters a mutually beneficial relationship between the corporation and community in which it is sensitive to the culture, context, and needs of the community
Value of Products & Services	The company respects the needs, desires, and rights of its customers and strives to provide the highest levels of product and service values
Employment Practices	The company engages in human-resource management practices that promote personal and professional employee development, diversity, and empowerment
Protection of the Environment	The company strives to protect and restore the environment and promote sustainable development with products, processes, services, and other activities.

SUSTAINABILITY IN BUSINESS

Business enterprises will play a pivotal role in meeting the sustainability challenges of the 21st century. The materials they choose, the products they design, the labour and human rights practices they pursue, and the ethical standards they set - all have profound implications for sustaining financial, social, and environmental returns.

(Business Sustainability Initiatives, 2006)

What does project management have to do with sustainability?

Sustainable project management

Silvius and Schipper (2014, p.79) defined sustainable project management as “the planning, monitoring and controlling of project delivery and support processes, with consideration of the environmental, economic and social aspects of the life-cycle of the project’s resources, processes, deliverables and effects, aimed at realising benefits for stakeholders, and performed in a transparent, fair and ethical way that includes proactive stakeholder participation”.

What is sustainable project management?

- Projects play a pivotal role in the realization of sustainable business practices (Silvius & Schipper, 2014). Project scope shift from traditional iron triangle to embrace dimensions of sustainability: people, profit, planet
- Complex projects often require considerable amounts of organizational resources and money (Martens & Carvalho, 2014).
- According to Kivilä et al. (2017, p. 1167), “in project business, the sustainability of the deliverable and the sustainability of the delivery process are both very important as they can have remarkable social and environmental impacts”.



INTEGRATING SUSTAINABILITY WITH PM

- Sustainability is most effectively implemented when fully integrated into business operations – including project management.
 - Planning
 - Monitoring
 - Control
 - R&D
 - Production
 - Administrative processes
 - Resource allocation
 - Accounting
 - Stakeholder management

INTEGRATING SUSTAINABILITY WITH PM

- Activity locations - sourcing resources, undertaking tasks
 - Working conditions
 - Local communities
 - Promotion of human rights
 - Impact on the environment
- Delivery on the objective – impact on economic development of the organization, end user, and surrounding communities
- Balancing act of the iron triangle with the triple bottom line

SUSTAINABLE PROJECT MANAGEMENT

- Project managers are well-positioned to enact and embrace the responsibilities and dimensions of sustainable development as an integrated part of an organization's strategy
- Stakeholder 'management' shifts toward stakeholder 'engagement' and 'partnership'
- Sustainable project management includes considerations of SD concepts across the lifecycle of a project and associate resources

SUSTAINABLE PROJECT MANAGEMENT

- Realizing benefits for all stakeholders – fair, ethical, transparent
- Stakeholder partnership
- Promotion of positive social, economic, environmental impacts while minimizing negative impacts
- All project activities considered alongside sustainable development criteria and principles
- Focus on improving the organization's sustainability, but also consideration for society and wider environmental responsibility
- Ensuring deliverables are sustainable for society



TABLE 5.3 Sustainability Considerations Across the Project Lifecycle

Life Cycle Stage	Sustainability Considerations		
	Social	Environment	Economic
Conceptualization	Is the project objective in the interest of the public? Does the project scope meet the needs and expectations of all stakeholders? Does the project charter conform to sustainability regulations with regard to fair labor practices?	Does the project objective enhance or deplete the environment? Is there a short- or long-term risk to the environment? Does the project charter conform to sustainability regulations with regard to environmental practices?	Does the project consume excessive capital?
Planning	Does the project scope and schedule conform to social well-being in both the short and long terms? Is project staff sufficiently trained and allocated?	Are project resources procured through sustainable means? Is the design environmentally "green"? Does the risk mitigation plan account for the well-being of the environment? Does the change control process consider the environment as a factor? Does the project possess sufficient resources to carry out the promised deliverable?	Is the cost spent on adapting sustainable methods economical to the company? What alternatives can be utilized and the project remain a profitable endeavor?
Execution	Is the project staff managed in a fair way? Are project staff part of the communication loop? Are stakeholders part of the communication loop? Is regular feedback taken from staff about work-life balance?	Are environmental indicators such as carbon footprint being measured?	Is the cost of measuring environmental and social indexes included within the budget?
Termination	Are all stakeholders in agreement on project outcomes? Are all conflicts resolved in a fair manner? Are any improvements in staff handling documented in lessons learned?	Are any improvements in project activities documented in lessons learned?	Was the overall cost of the project comparable to its initial projection?

The Current PM Challenge

Many project managers are **locked** onto focusing on the traditional Time / Cost / Scope paradigm (if lucky they take into account quality)



Successful project managers focus on time, cost, quality, scope, benefits and risk



Exceptional project managers also take into account the other triple constraint... Though the key questions for organizations is how to facilitate this?



<https://www.slideshare.net/MnicaGonzlezMBAPMPGP/sustainable-project-management-and-the-transformational-vision-of-our-world>

INTEGRATING SUSTAINABILITY WITH PM

- What project managers need to know about sustainability?
- Does considering sustainability lead to more successful projects?
- How might you, as a project manager or team member, promote the sustainability of a project?
- How might you engage with project stakeholders to improve project success if they are concerned about sustainability and sustainable development?
- How can you ensure your project addresses the elements of social and environmental sustainability?
- How can you minimize the negative environmental impacts of a project?
- How does sustainability affect project life cycle management?
- How does project sustainability be enhanced by making proactive decisions at the very start of project (conceptualization, project design stage or planning stages of PLC)?
- How transparent is the project supply chain, in terms of sustainability priorities?
- And finally, what are some of the key challenges for incorporating sustainability criteria into project management practices?