Chapter 1
How Business Excellence Models Contribute to Project Sustainability and Project Success

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ABSTRACT

The purpose of this chapter is to establish the linkages among Business Excellence Models (BEMs), project sustainability, and project success. The particular focus is on how the BEM framework contributes to project sustainability as one element of project success. Although general sustainability definitions vary, most describe a broad perspective that encompasses economic, social, and environmental objectives. This broad perspective fits well with the concepts of both Corporate Social Responsibility (CSR) and Total Quality Management (TQM). Business Excellence Models, with their origins in the TQM movement, provide a framework to address sustainability. Although much of the literature focuses on applying these concepts in a general organizational setting, they also apply to a project organization. Project success criteria can be expanded to include project sustainability, measured both at the time of project closing and later when the overall project benefits are evaluated.

INTRODUCTION

The key question this chapter seeks to answer is: How do Business Excellence Models (BEMs) contribute to both project sustainability and project success? A secondary question involves the relationship between project sustainability and project success. The path to answer these questions begins with a general discussion of the different views of sustainability and how sustainability is related to the Corporate Social Responsibility (CSR) framework. The connection between the CSR and
Total Quality Management (TQM) frameworks is a critical link. Then, the relationship between TQM and BEMs is relatively straight forward. Along the way, these frameworks are extended to a project environment.

The definitions for sustainability vary in their scope. Some have a primarily environmental focus. Examples include Clayton and Radcliffe (1996), Schmitz (2010), and Hopkins (2011). Other definitions highlight three distinct components: economic, social, and environmental. Examples include Elkington (1998), Willard (2002), and Wirtenberg (2011). While there are multiple references that address sustainability in a general sense, there are fewer descriptions of sustainability from a project perspective. One example is the discussion by Silvius, Schipper, and van den Brink (2012) regarding how and why sustainability should be incorporated into project management. They concluded that considering sustainability in project management has implications, including on the level of the organization.

Business Excellence Models provide a framework for performance excellence in any organization. There are many BEMs in use today. Both Grigg and Mann (2008) and Talwar (2011) concluded that the two that are most often cited are the Baldrige Criteria for Performance Excellence (CPE) and the European Foundation for Quality Management (EFQM). Further, these two BEMs both address sustainability, although from different perspectives. Silvius, Schipper, and van den Brink (2012) discussed how the EFQM Model applies to projects. Similar arguments could be made regarding the applicability of the Baldrige CPE Model.

There are over two decades of examples where organizations used BEMs as a framework to achieve organizational excellence. Although there are limited discussions of applying BEMs in a project context, these discussions provide valid arguments to do so. Organizational success is intuitively linked to organizational excellence. Hendricks and Singhal (2001) examined the impact of Total Quality Management (TQM) programs, as a proxy for BEMs. They found that the winners of TQM Award Programs have better financial performance than firms that had not won the awards. Again, since projects are organizations, BEMs should also facilitate project excellence that increases the likelihood of project success.

Like the definition of sustainability, there are multiple views of what constitutes project success. These multiple views include both a traditional view of project success (based on schedule, cost, and scope performance) as well as metrics that are assessed primarily after the conclusion of the project. Nelson (2005) provided one framework to categorize these two views. Project sustainability can be included in both of these perspectives. Ultimately, the success of the project manager requires managing the expectations of the many project stakeholders. Some stakeholders will likely have expectations for a project’s sustainability. A BEM framework will help the project manager address these expectations.

This chapter, then, involves three essential messages. First, Business Excellence Models also apply in a project environment. Second, BEMs provide a framework to address sustainability in organizations, including projects. The final essential message is that BEMs can be utilized to address project sustainability as one contributor to project success.

The organization of this chapter begins with a more detailed discussion of sustainability and its linkages to Corporate Social Responsibility and Total Quality Management. The introduction of Business Excellence Models is a logical extension of the TQM discussion. The two specific BEMs used most frequently are addressed in more detail. Finally, the chapter explores how BEMs address project sustainability and ultimately project success.