Chapter 7

Project Success by Integrating Sustainability in Project Management

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ABSTRACT

There is great concern for social and environmental sustainability. Innovative solutions are needed in addressing the 21st century challenges of globalization, population growth, climate change, and resource scarcity. Corporations become more aware of the importance of sustainable practices by successfully integrating them within non-financial reporting. In the circumstances of the 21st century challenges, corporations start to reconsider both their sustainability and project management approaches. Even though two distinct key-elements of an organization, with importance attributable to the performance of a company, they are interrelated, and sustainability can be integrated within project management. In order to demonstrate this fact, the authors make use of a specific methodology that implies measurement of sustainability integration level, determination of the degree of the project success, and ultimately, computation of Pearson Coefficient for a sample of 35 integrated reports.

INTRODUCTION

This chapter focuses on sustainability impact on the success of the projects developed by companies. We aim to demonstrate that by integrating sustainability practice within project management, objectives and targets will be successfully attained and the achievements are in line with the expectations.

Our topic has been subject to a review of scientific literature. After an extensive documentation process, we have selected the most relevant views on integrating sustainability within project management and how this resulted in successful projects. The section of literature review provides a background on sustainability theory and practice, integrated reporting, corporate disclosure and modalities to measure the degree of success in
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terms of sustainability determinants. It provides the reader with definitions, classifications and discussion upon opinions and arguments issued by scholars or scientists. Finally, it comprises some personal views on the matter and makes reference to the case study presented forward.

The disclosure of integrated reports brings many controversies in terms of sustainability and project management. Problems arise when information is not presented properly, or is confusing. We believe that improvements can still be made with respect to disclosure on sustainability aspects. The case study explains the development of the hypothesis and the methodology used in testing the initial assumption. We also provide a detailed presentation of the sample companies and we mention the arguments for selecting those specific corporations.

The results are quite controversial, as the success of projects is not always connected to sustainability inclusion. However, in the majority of cases, we obtained a direct impact from sustainability. Therefore, there is evidence that sustainability may induce the success in project management, even though there could be other factors of influence. We estimate that corporations applying sustainability practice contribute, in a high or low degree, to successful outcomes and achievements.

The detailed analysis on the results of our study represents the basis for solutions and recommendations. We believe that sustainability is a solution for incorporating future benefits, and therefore we highly recommend companies to adopt sustainability in their project management in order to become successful. Disclosure improvements are also necessary, as users of reports and stakeholders can provide constructive feedback upon the efforts made by corporations publishing integrated reports to integrate sustainability information/sustainability reports within their integrated reports.

This chapter presents all the mentioned aspects, centered on its main objectives: determining the level of sustainability disclosure, establishing the degree of success for projects involving sustainability, and estimating the impact of integrating sustainability practice into project management on successful outcomes.

BACKGROUND

Defining Sustainability

In an attempt to define sustainability, most scholars emerge towards environmental and social concerns (Sijtsma, 2006; D’Amato et al, 2009; Gary et al., 2011). However, the notion means more than “how green and socially responsible a company has been” (Gary et al., 2011, p.99), being integrated within the organization structures (D’Amato et al, 2009; Gary et al., 2011) and even managed as a risk related issue (Gary et al., 2011). Sustainability is closely related to sustainable development of the society that according to Kuhlman & Farrington (2010) can be presented as a centre of three dimensions: economic, social and environmental, harmonizing welfare with resource scarcity and environmental damage, on one hand and fulfilling civilization needs without compromising the future (Hansmann, 2010). We agree on the second, broader definition on sustainability that connects this notion to sustainable development and incorporates people, planet and profit.

As Hasmann (2010) argues, sustainable developed has evolved from the eternal conflict between individual interests and public interests. Therefore, the main challenge has been to relate sustainability- in terms of progress, technology and improved standards of living, with sustainability- that means acting responsibly and maintaining this relationship for long term (Kuhlman & Farrington, 2010). This leads to the necessity for the reconciliation of social, economic and climate
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