

Sustainability

The value proposition for project managers¹

Raju Rao, PMP, SCPM

Abstract

The subject of *sustainability* has received a lot of attention in recent times. It is slowly moving from understanding it as a global phenomenon to deliberate action. What can we, as professionals in business and industry, do in the larger interest of preparing for the future? For Project Managers, this is a unique opportunity to contribute beyond the immediate objectives outlined for their projects. This paper will discuss and deliberate on two broad questions:

→ WHY?

- ◆ Why do projects need to be sustainable? What is it in for project professionals?
- ◆ How does it tie in with the global scenario and trends?

→ HOW?

- ◆ What can project professionals do in their projects to contribute towards sustainability goals?
- ◆ What needs to be added as knowledge and practice to existing standards and practice to make this happen?

What is Sustainability? Definitions

One of the earliest definitions of sustainability is by the UN Brundtland Commission states it as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs". This broad-based definition is simple and

¹ How to cite this paper: Rao, R. (2023). Sustainability: The value proposition for project managers; *PM World Journal*, Vol. XII, Issue VIII, August.

covers the major issues and challenges faced today i.e., related to climate change, energy, environment and resources.

US EPA states “Sustainability is based on a simple principle: Everything that we need for our survival and well-being depends, either directly or indirectly, on our natural environment”.

A more specific definition related to projects is available from APM Body of Knowledge 7th Edition.

“Sustainability in the project profession is an approach to business that balances the environmental, social, economic aspects of project-based working to meet the current needs of stakeholders without compromising or overburdening future generations.”

Dimensions of Sustainability

Sustainability can be better understood through its principles which are in turn elaborated in terms of its dimensions. Green construction projects or project management largely tend to view the economic and environmental dimensions whereas sustainable development projects consider it from a social perspective. However, we can identify the following dimensions for our understanding.

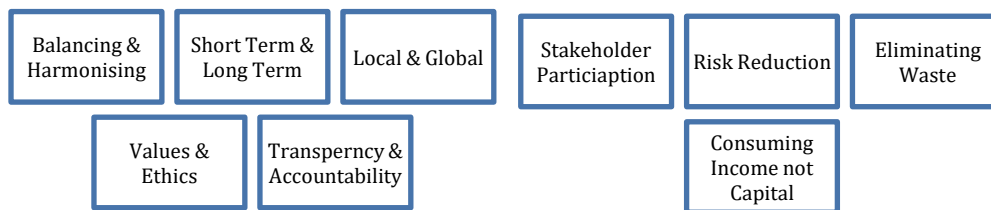


Exhibit 1: What is Sustainability About ?

Sustainability in projects and project management is the development, delivery and management of project-organised change in policies, processes, resources, assets or organisations, with consideration of the principles of sustainability (as mentioned above), in the project, its result and its effect.

Why Sustainability for projects & project management?

Having a project which is sustainable has economic & managerial benefits. It creates competitive advantage, reduces project risk and helps cope with complexity and crisis. It

also helps improve brand image for the organization and helps it in the long-term by aligning with strategy and capability to stay in the business.

Projects and project management benefit by viewing them from a sustainability perspective. Apart from helping achieving long term goals it also provides an ethical and moral basis to the issue of climate change and saving of the environment. This in turn translates to economic return in the long run. This aspect though not obvious has been proven in a number of cases.

In particular, we can identify the following advantages for projects and project management when following a theme of sustainability.

Reduce project risk: Looking at factors involving sustainability especially with a long-term view helps reduce the risk and uncertainty because the unknowns are better covered.

Coping with complexity & crisis: Understanding issues and factors with a wider perspective helps in better preparation to handle crisis situations and complexity as more variables are addressed.

Alignment with strategy: A long term view of sustainable practices helps to ensure that the strategic objectives are taken into account and well aligned.

Need to stay in business: The need for addressing problems due to global warming, climate change and saving of the environment has become of prime importance and the need to have sustainable operations has become necessary even to stay in business.

Create competitive advantage: At present not everyone has moved onto the sustainability bandwagon. Till this happens there will be competitive advantage to those who embrace it and they could be singled out by customers who seek sustainable products.

Public & Brand reputation: The above can also help in establishing their public image and improving brand awareness as one who follows sustainable practices.

Impacts of sustainability and its interface with Projects

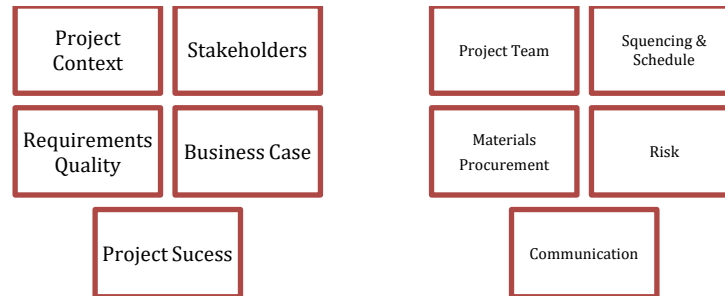


Exhibit 2: Impacts of Sustainability

It is useful to understand the concept of sustainability when we appreciate its impacts either when we consider it or when we do not take it into cognizance.

The impacts indicate that integrating sustainability requires a scope shift in the management of projects; from managing time, budget and quality, to managing social, environmental and economic impact. This calls for adding a new perspective or aspect to processes and formats of the current project management standards. This adds to the complexity and what we require is a more holistic and less mechanical approach. The traditional project management paradigm of controlling time, budget

The integration of sustainability therefore requires a paradigm shift from an approach to project management of predictability and controllability of both the process and deliverable, to an approach of flexibility, complexity and opportunity.

Sustainability: Projects, Project Management and Life Cycle

Product: Output of the Project

Project outputs are traditionally measured in terms of scope, time and costs. They result in a product, service or result. In all these cases we have to consider the sustainability not just in terms of its 'project product' alone but stages much beyond, up to the end of its life cycle. When viewed from an outcome perspective and a life cycle approach it is easier to get the sustainability perspective. Project life cycle gets completed at the closing stage or phase. However, for a product the life cycle ends only on its retirement and so we have to approach from "cradle to grave" or total life cycle analysis. Further the project outputs or product produced when operated may have a service component for maintaining the product which also has to be sustainable.

Project Management

At different phases of the project life cycle or typically, Initiation, Planning, Execution and Closure the incidence of sustainability would be different. The maximum will be at Initiation & Planning where we could influence project decisions related to it. It will be less at the execution phase and practically nil at closure. While managing the project one would like to look at all sustainability factors e.g., wastage of resources, use of environmentally friendly materials, use of renewable energy etc.

To make project management sustainable we will look at factors e.g. efficiency of operations, resource and energy utilization and fairness with regard to people practices.

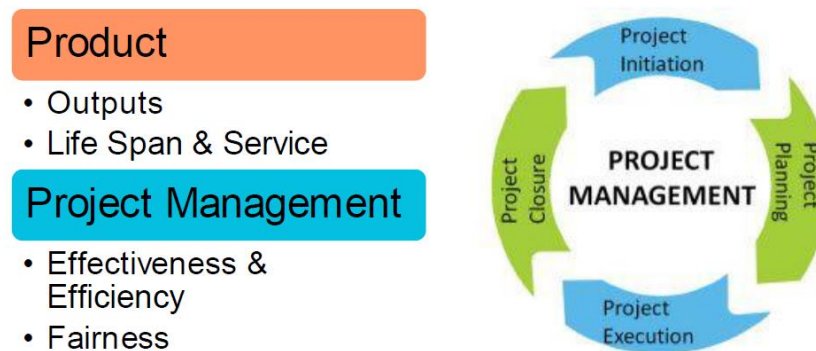


Exhibit 3: Sustainability & Projects / Project Management

Building sustainability in PM practices through Standards

PMBOK Guide

The Standard for Project Management and PMBOK guide 7th Edn

Output v/s Outcome: The central point in understanding sustainability is to view initiatives whether projects or operations from an outcome perspective. This helps us to understand the value obtained from a venture and if they are to be sustainable and long-term in nature it should include parameters other than just profit. This calls for moving away from the concept of the triple constraint, well understood by project managers, to Triple Bottom Line which embraces the three Ps i.e., Profit People and Prosperity.

In this context, The Standard for Project Management has now progressed to an outcome-based approach as against outputs as has been espoused up to the 6th edition.

This is a significant difference and change in the direction of project management in understanding it as holistic and strategic capability in achieving organizational or societal objectives.

Going further, the PMBOK Guide 7th edn has provided many other pointers indicating the sustainable aspects of project management.

The 7th edition PMBOK Guide differentiates The Standard for Project Management from the PMBOK Guide. The former explains 12 principles of project management while the latter describes 8 performance domains which are necessary for effective delivery of outcomes.

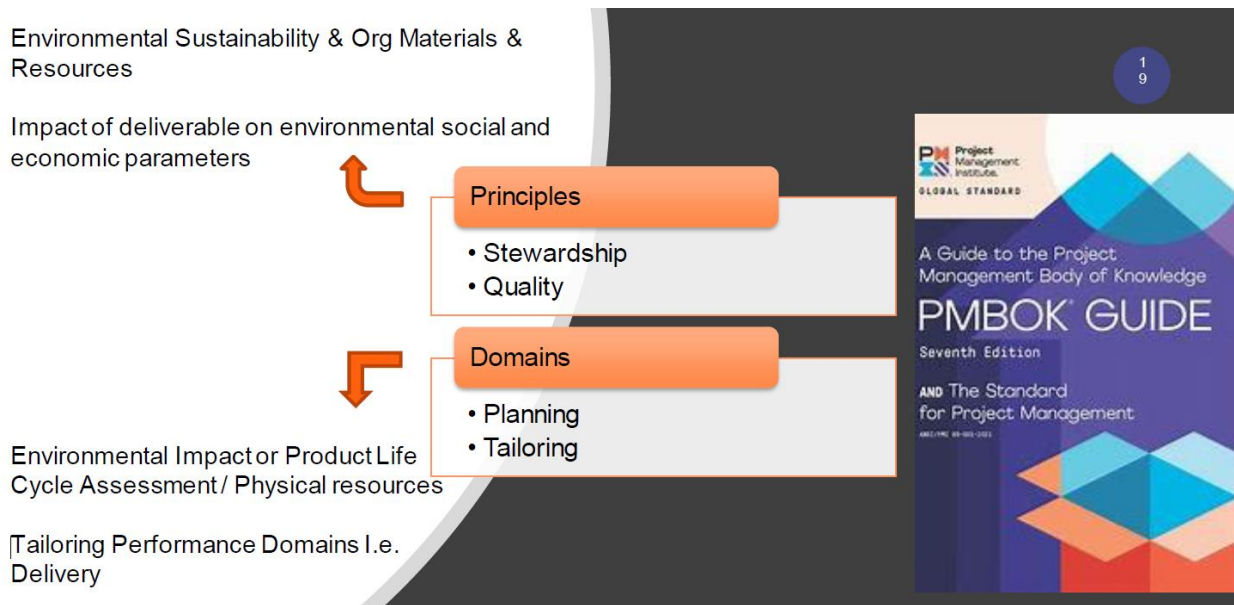


Exhibit 4: PMBOK Guide 7th Edn & Standard for Project Management

The two principles stated in The Standard are relevant to understanding the sustainable aspects for managing projects are Stewardship and Quality.

Stewardship: According to Section 3.1 of The Standard “Stewards act responsibly to carry out activities with integrity, care and trustworthiness while maintaining compliance with internal and external guidelines. They demonstrate a broad commitment to financial social and environmental aspects of the projects they support”.

The responsibilities include within and external to the organization. Stewardship outside includes Environmental sustainability: an awareness of issues related to the environment and how they will affect projects or how project decisions have an impact on it.

Materials & Resources: Managing them for optimum utilization and avoiding wastage.

Quality: Section 3.8 One dimension of quality is stated as “Sustainability: “Does the deliverable produce a positive impact on economic, social and environmental parameters?”

In the PMBOK Guide 7th Edn there is a reference to sustainability in two areas: Planning domain and the Tailoring section.

In the Project Performance domain of Planning, Section 2.4.1 of the PMBOK guide, mention is made of initial planning being used to consider social & environmental impacts in addition to financial impacts. This may take the form of product life cycle assessment which will evaluate the potential environmental impact of the product, process or system.

In the Tailoring of Performance Domain: Delivery, Section 3.5.6 of the PMBOK Guide, the sustainability aspect is considered through the following question “How does sustainability factor into the elements of project management or product development?”

Other PM Standards

To understand the subject of sustainability and its interface with projects & project management in a better way it will be beneficial to look at the literature from other standards as well. This includes IPMA International Project Management Association and APM, The Association for Project Management, UK which have discussed the sustainability factor in different ways. In particular GPM (greenprojectmanagement.org) in The P5 Standard for Sustainability in Project Management has related the 17 Sustainable development Goals of UN and has proposed action points on each of them.

Examples

Some of the contemporary work done by various organizations in the area of sustainability are better understood with the help of examples. Two organizations are considered here.

McCormick

Commitments	United Nations SDGs	Our 2025 Goals*
Increase use of branded, sustainably grown herbs & spices	12 (Responsible Consumption and Production)	<ul style="list-style-type: none"> Source all herbs and spices in our portfolio sustainably, beginning with 100% of our branded iconic ingredients
Reduce GHG emissions	13 (Climate Action)	<ul style="list-style-type: none"> 20% absolute reduction in greenhouse gas emissions (Scope 1 & Scope 2) from our facilities 10% absolute reduction in greenhouse gas emissions (Scope 3)**
	7 (Affordable and Clean Energy)	
	11 (Sustainable Cities and Communities)	
Reduce water use	6 (Clean Water and Sanitation)	<ul style="list-style-type: none"> 20% reduction in water use from our facilities†
Solid waste recycling	12 (Responsible Consumption and Production)	<ul style="list-style-type: none"> 80% recycling and recovery of solid waste from our facilities
Reduce packaging carbon footprint through the life cycle	13 (Climate Action)	<ul style="list-style-type: none"> 25% reduction in carbon footprint from packaging 100% circular plastics packaging

Exhibit 5: Initiatives by McCormick

McCormick, a global leader in flavor, was named the world's 22nd most sustainable corporation and No. 1 in the Food Products sector by the Corporate Knights Global 100 Sustainability Index. They have specific SDG based commitments and goals mapped to the numbers 12,13,7,11 and 6. Each of the following four focus areas contributes to sustainability. For e.g. Under the Environment category, a reduction in greenhouse gases is affected through specific initiatives based on science-based Targets (SBTi), LEED certification and using wind energy for their facilities. They have also looked at solid waste reduction and water usage.

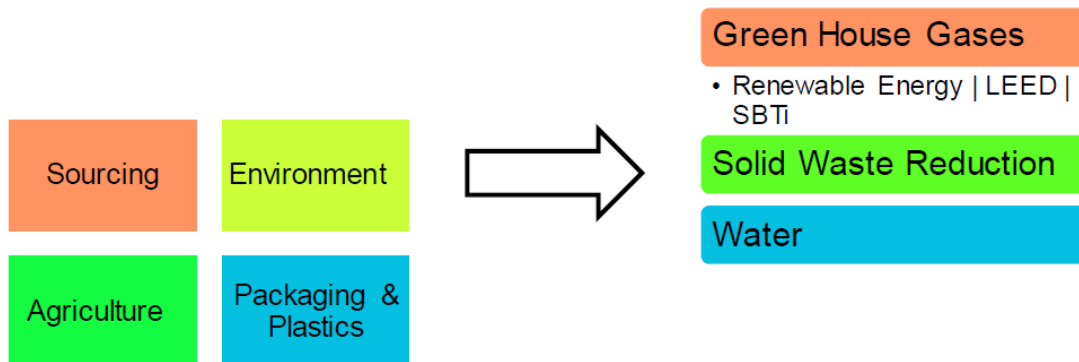


Exhibit 6: Programs by McCormick

An interesting point to understand is that any company can have opportunities for sustainable operations. McCormick is basically into manufacturing flavours. In general, this may not be perceived as an organization which can hurt the environment unlike an oil company, but it can still contribute to sustainability. This is made possible because it considers it a holistic approach in all its operations.

Neste

A traditional oil company which has transformed into sustainable products and operations, has a focus on climate, biodiversity, human rights and supply chain/raw materials.

In all areas, raw materials, production and products it has implemented sustainability initiatives, and these are mapped to SDG numbers 8,9,11,12,13 and 17. Under the renewables platform it has aviation, polymers & chemicals and road transportation. For e.g.it produces aviation jet fuel, diesel, feedstock for polymers & chemicals all from renewable sources. Oil production facilities apply sustainable solutions with circularity objectives. It is also involved in waste plastic recycling technologies and electric vehicle charging stations.

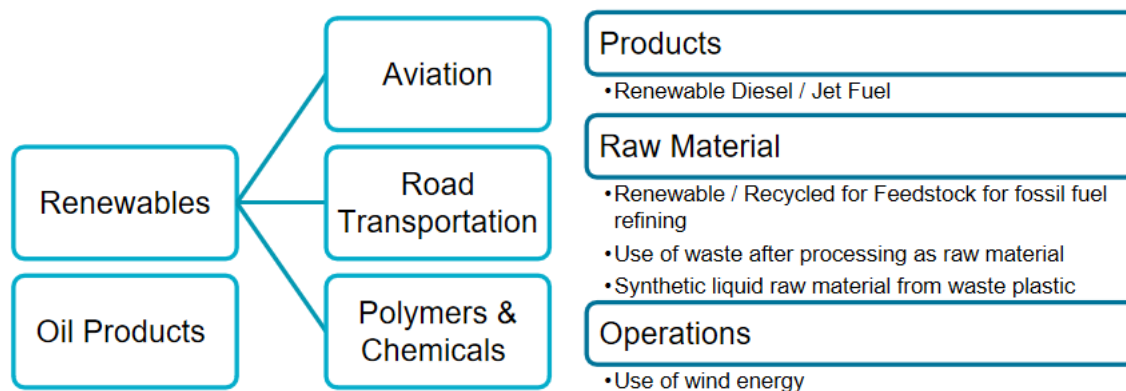


Exhibit 7: Initiatives by Neste

What can you do as Project Professionals?

Organizational / Portfolio Management / Conceptual Planning

The deliberations on the connection with sustainability can start at the strategic level. Often, organizations have this perspective but even if they don't do it explicitly, there is an opportunity to introduce it as part of a project. This would be done at the level of the

organization through organizational project management and if a number of such initiatives are in place, then program and portfolio management would be deployed. This could also be under the purview of the Project Management Office. In effect, the size of the organization will dictate whether the sustainability perspective is considered at the project or at organizational/portfolio management levels. At the project level, it will be done largely during initiating and planning.

Program / Project Execution

In some cases, the issues or opportunities related to sustainability are not evident at the strategic level but visible only at the tactical level i.e. during implementation. In such cases it would make sense to address them during execution. e.g. Setting up manufacturing facilities at multiple facilities where the mandate could be to use solar energy as a renewable source. It is possible that in certain locations wind energy is easily available and therefore it could be either/and used, which will call for a change in the plan.

Opportunities as a Volunteer and as Entrepreneurs

One can participate in many of the projects as a volunteer, especially those which are good for the community, .e.g. waste reduction and management, installation of renewal energy systems, food recovery etc. There is also considerable scope to take on projects in this sector as entrepreneurs. This is a greenfield area and opportunities have come about with low pay back periods due to the increasing emphasis on tackling problems on climate change, resource utilization and energy consumption. e.g. Use of technology and IT to enable solutions, improved supply chain management and customer oriented applications.

Final Thoughts

- ✓ The predominant area of sustainability practice today is in climate change, environment, renewable energy and water.
- ✓ It will help if Project professionals look through sustainability 'glasses' to ensure the relevant issues are addressed during initial and conceptual planning of projects. This is in the long-term interest of the outcome of the project and its position with stakeholders and society.
- ✓ There are many opportunities for project professionals to contribute either as project managers, volunteers or entrepreneurs.

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About the Author



Raju N Rao

Chennai, India



Raju Rao is an author, speaker and social entrepreneur. He is the Founder Xtraplus Learning & Consulting and has been a trainer, consultant and coach for nearly two decades. He often writes for professional journals and is the co-author of two books on project management. He has been a speaker in many global conferences and seminars.

Raju has been involved in the development of many standards in project management. He has worked as a volunteer with PMI and similar organizations for many of their initiatives and projects. He is the Founder of the not-for-profit Forum for Food Recovery, an organization involved in advocacy and education in food waste and recovery management. He is an Ambassador for GPM Global which is dedicated to advancing regenerative solutions and practices for sustainable project management.

Raju is a Distinguished Toastmaster and has been an active member of Toastmasters International. He also dabbles in writing fiction and is interested in cooking, running and listening to music. Raju can be contacted at pmorg.xtraplus@gmail.com.