

Chapter 14

Four Strategic Postures for Sustainability in the Project-Based Organization

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ABSTRACT

Sustainability is one of the most important challenges of our time. How can we develop prosperity, without compromising the life of future generations? Companies are integrating sustainability in their strategies, processes and actions. In the implementation of strategies, projects play an essential role. Delivering business strategy through projects is even more eminent for project based organizations (PBOs) that execute projects as their core business. This chapter will discuss the question What strategic postures a PBO can take on the consideration of sustainability in its projects, while aligning with both the strategy of the client organization and its own strategy. Based upon an analytical analysis, the authors develop four possible strategic postures on sustainability in the projects of a PBO that provide guidance for the consideration of sustainability in these projects.

INTRODUCTION

In the last 10 to 15 years, the concept of sustainability has grown in recognition and importance. How can humans develop prosperity without compromising the future? The pressure on companies to broaden reporting and accountability from economic performance for shareholders, to sustainability performance for all stakeholders has increased substantially (Visser, 2002). Industry leaders realize that ‘greenwashing’ of current business practices is not a solution. Integration of the principles of sustainability requires rethinking and redevelopment of business strategies, products/services, processes and resources (Silvius et al., 2012). This integration of sustainability into core business functions is considered one of the most important leadership challenge facing business today (BSR/GlobeScan, 2012).

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In the implementation of strategies, projects play an instrumental but essential role (Shenhar and Patanakul, 2014). It is estimated that today, more than 20% of global economic activity takes place as projects (Turner et al., 2013). The integration of sustainability into business strategies therefore also requires the integration of sustainability in projects and project management. A growing number of publications address this integration, as reported by Silvius and Schipper (2014) and Aarseth et al. (2016), and Silvius and Tharp (2013) conclude that “the relationship between sustainability and project management is ... picking up momentum” (Silvius and Tharp, 2013: xix).

Delivering business strategy through projects is even more eminent for those organizations that execute projects as their core business. These organizations, characterized as “project based organizations” (PBOs) (Huemann, 2015) are executing projects as a way of delivering products and services to external clients. The PBO typology differs from the “project oriented organization” (POO), in which projects are primarily used as an instrument to change the own organization.

For a PBO, integrating sustainability implies making the projects it performs more sustainable. Several studies on the integration of sustainability into project management focus on the operationalizing the concepts of sustainability into sets of indicators that can be applied to the project’s execution process and output, in order to assess the sustainability of the project (For example Bell and Morse, 2003; Fernández-Sánchez and Rodríguez-López, 2010; Keeble et al., 2003; Labuschagne and Brent, 2006; Martens and Carvalho, 2016). These indicators normally follow a more generic framework of sustainability indicators, for example Global Reporting Initiative’s sustainability reporting guidelines, in representing the “Triple Bottom Line” perspectives of social, environmental and economic performance (Elkington, 1997). However, specialists question whether a generic list of sustainability indicators is possible, or even desirable, given the wide variety of conditions and the differences in values in different contexts (Hardi and Zdan, 1997). In line with Mettler and Rohner (2009), Silvius and Schipper (2015) therefore conclude that the assessment of sustainability in projects and/or project management should be configurable to the characteristics and context of the project at hand.

This context relates, amongst other factors, to the industry of the organization and the strategy of the organization. For a PBO, however, there are two contexts to consider: the industry and strategy of the ‘client’ that commissions the project, and the industry and strategy of the PBO itself, as ‘contractor’ in the project. The PBO therefore is faced with the challenge to balance its commitment to sustainability between the strategy of the client organization and its own sustainability ambitions. How can this balancing act be approached? Should the PBO follow the sustainability strategy of the client or should it stick to its own strategy and select the assignments and clients that fit that strategy?

This chapter will discuss the question ‘What strategic postures a PBO can take on the consideration of sustainability in its projects?’, while aligning with both the strategy of the client organization and its own strategy. Based upon our analysis, we will develop four possible strategic postures on sustainability in the projects of a PBO that provide guidance for the consideration of sustainability in these projects.

The remainder of this chapter is organized as follows. In the following section, we will discuss the concepts of the project based organization, the different strategic postures towards sustainability and the relationship between sustainability, project and project management. Based on the concepts found in the literature, the following section will develop a framework of four possible strategic postures for sustainability in the projects of the PBO. These four postures will be presented further and their implications for the PBO will be discussed.

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